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BUSINESS CORRESPONDENCE

VOLUME III

HOW TO HANDLE THE DISTANT CUSTOMER: *23 chapters and extracts from 243 actual letters on keeping in touch with the dealer's trade by mail and getting business from retailers; how to open up new territory; how to bring in the money due; how to handle and eliminate complaints, and make adjustments; and how to make the letter a factor in every phase of selling*



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Putting *Propositions* to the DEALER in *Letters*

IT is not the selling scheme alone, nor the special terms, nor the exclusive privilege, nor any of the other tricks in the salesman's pack that finally swing the dealer from the "prospect" list to the customer list; it is the MANNER IN WHICH THESE PROPOSITIONS ARE PRESENTED TO HIM. There is a right and a wrong method of approaching him by mail—as illustrated on the following 11 pages

THE average manufacturer is so much in love with his product that he cannot get away from it. He constantly talks to the dealer of his article as an article while it is in reality a commodity of trade. His most common as well as his most disastrous mistake in his selling argument is to lose sight of the great fundamental principle on which all dealer arguments must hinge—the fact that merchandise is merely the vehicle by which profits are conveyed to the dealer.

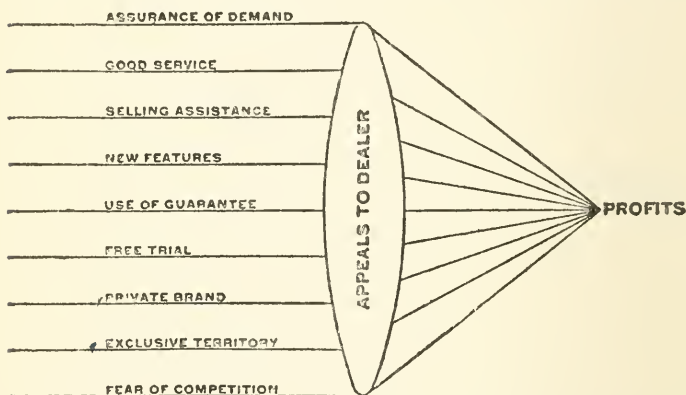
As long as the manufacturer fails to adjust his viewpoint to that of the dealer; as long as he attempts to interest the retailer with arguments on quality and adaptability while he should be talking profits, sales, customers, his letters will fail in their mission.

The reason is not difficult to understand. Stop and consider that the function the dealer plays in the world of industry is to supply a medium through which goods are conveyed from the producer to the consumer—that his function is to distribute produce, not to use it—and you will understand why merchandise as mere merchandise does not interest him. The

dealer's business is the selling medium, and his love is not for the game but for gain: he is looking for the profits that the handling of goods—the distribution of an article—must offer him. If the article offers no gain, he is not interested.

Come down to the every-day principle, that the dealer is just a plain, ordinary man, with the same inclinations, the same preferences and prejudices, the same degree of human selfishness that you or I or other men in business have; that if you offer him something by which to gain customers, trade, prosperity, he is interested, and your appeal will reach home.

Thus it is evident that the letter which gets the interest and convinces the dealer, must adopt his point of view—must sur-



vey his problems, his troubles and difficulties from *his* attitude. It must aim to solve the problems, lighten the troubles and lessen the difficulties; it must attempt to supply the dealer's wants. And the manufacturer who attempts to secure the dealer's interest or cooperation, without a full knowledge of the proper weight of these human qualities in the letter, will miss the point of contact.

Consider the importance of knowing the dealer's business, his problems, his condition, the trade influences affecting him, before you attempt to find a point of contact. The ways by which this point of contact may be secured are

numerous. You may play upon the dealer's desire for gain, his ambition for success, or you may work upon his sentiment. You may strike straight at his interest by inducement, or perhaps you may use pressure to force an entry into his good graces. You may even wield the club of fear, and thus command his good will and cooperation.

Then you may approach him with some original method, some new idea with which he is not familiar, thus first appealing through natural curiosity and then quickly swinging to your proposition. But in any case, you must apply the fundamental principle, that you aim to offer him something that brings him gain—that you seek to benefit him as well as yourself—that your proposition is mutually profitable.

"I am," and "my goods are," is the gist of the letter that the average manufacturer writes to the dealer, while the basic idea of the letter should be, "What you can do with my goods," "The customers—the profit—my goods will bring you," "Why you can handle my goods to your benefit." Tell the dealer that you can offer him trade, customers—that your goods will sell readily; and prove it, if you would get his interest. Tell him, "Here is a line of customers who want my goods," or, "Here are profits which you should be pocketing," or approach him with this argument, "I merely want you to distribute these goods—to supply a demand which I will create for them." These are the arguments to which he will listen, because they spell "more sales—more orders" to him. And this is the appeal that gets him in line.

SCHEME 1—THE OFFER OF "MORE CUSTOMERS"

A cigar manufacturer's letter tells the dealer, "Customers are included with the cigars. You may not want the tobacco—but you do want the customers. When you buy—— you get the men who smoke them, too; we deliver both. We make the cigars and the demand. The cigars are ready and the demand will be started as soon as we get local distribution. There is no risk in placing an order for—— except the risk of delaying too long. This is the best five-cent cigar that ever left the factory. We are so confident of the quality that we are putting enough money back of our confidence to make sure of a big market ahead of us in your town." Doesn't

this letter offer hit the target, when it is aimed at the man who is looking for the margin that sales on an article bring him? The possibilities of future gain influences the retailer and the argument is effective.

SCHEME 2—THE UNIQUE PACKAGE

A dealer letter used by a manufacturer to bring out this point says:

"The handsomest nickel cigar--packed in the most unique box ever seen in the trade. The cigar is ripe, but the box is green--you can't miss the BOX in the CASE, but if the man who has been educated by our advertising should come in and demand it and doesn't SEE the green box, he'll ask you if you 'see anything green in his eye,' and will go to the NEXT shop."

There is one angle on which a "quality" talk may be hung in an appeal to the dealer. Show the dealer that the quality is the feature that creates the demand--then prove to him that your product has this particular demand-creating property and the argument comes to bear directly upon him. In this way one producer aims in his letter to direct the quality argument at the retailer: "We have built up a demand for our clothes on the label. The label has always stood for quality--not merely the 'just as good' quality--but the best that can be manufactured; all wool cloth, one hundred per cent shrinkage in the goods and expert operators in the construction. The consumer has come to expect this excellence of quality when he sees our label. Merely show him the label on the suit and your customer knows you are selling high grade clothes. His confidence is won without your personal guarantee and you sell him twice as readily." See how the letter swings the ordinary consumer argument of quality into an appeal to the dealer. The argument marks the point where quality means easy distribution for the retailer.

SCHEME 3—CATCH PHRASES

An original and striking approach often wedges open a path for the heavier argument of the manufacturer. Take

the catchy phrase which incites the dealer's curiosity, and then apply it to the selling argument. Here is the way one man writes: "The monkey who pulled the chestnuts out of the fire got burned. There's no record of his subsequent actions—*except*, that he didn't try to get them the second time." Then the application is shown in this way: "The man who was 'stung' on a suit of clothes is just like the monkey—and he knows it. He won't come back for another suit. There are hundreds of men in your town who have bought and 'won't come back,' because they didn't get their money's worth. You want to handle clothes that give full value—clothes that give your customers a dollar's return for every dollar they spend. We are educating men to know that our garments stand for sincerity." In this way the manufacturer appeals to the dealer's desire for steady customers.

But more important than a striking approach is an original selling feature that will appeal to both merchant and customer. Take any new method of distributing the goods to the consumer, such as offering prizes with purchases, or guaranteeing satisfaction to the consumer, or giving the consumer a trial of the goods with the no-pay-if-not-satisfactory plan and consumer sales are stimulated. The dealer knows this fact, and if you offer to let him dispose of your goods on any one of these selling plans, and then stand back of him to re-imburse him where necessary, you have a powerful appeal to his interest.

SCHEME 4—INSURING DEALERS AGAINST LOSS

Still more forceful is the offer which protects the retailer against loss or risk. For example, you write the dealer: "Here is a line of goods that will sell like hot cakes. We are confident of the demand they will create and to show you just how thoroughly convinced we are of their ability to draw trade, we will make you this remarkable offer: We will guarantee to buy back all unsold goods on your shelves or in your stock room at the end of the season, if you feel that you cannot dispose of them." Here you have offered the dealer everything to gain and nothing to lose. It is natural that he is interested if his capital—his business—is absolutely protected. Such an appeal is almost irresistible.

LET ONE OF YOUR CLERKS GO!

You won't miss him if you are a post card dealer and install one of our hanging display racks.

This new display fixture is almost ideal in that it combines simplicity and durability of construction, beauty of design and finish--accessability without the sacrifice of valuable space, and enormous sales pulling power.

With one of these fixtures installed in your store each purchaser can wait on himself and make purchases as conveniently as with the assistance of your clerk. Price cards conveniently arranged give the prospective purchaser all necessary information and as the stand revolves readily in any direction all cards can be brought directly before your customer.

Hundreds of our patrons have testified to the merits of this stand. Mr. W. W. Moore, Pacolet, S. C., writes: "I bought one of your display stands and it has increased my sales wonderfully." Mr. Casper Lowe, Lynbrook, N. Y., purchased one of our stands Nov. 11th, 1909, and another Feb. 7th, 1910.

You can have one of these stands absolutely free. To each of the first four hundred and fifty post card dealers purchasing one of our assortments of five hundred superior quality post cards for \$5.00 F.O.B. Chicago we will give a hanging display rack beautifully finished in black enamel absolutely free.

And the cards alone are an excellent investment, for you can realize a profit of \$7.50 on your purchase price and give your patrons excellent value too. All cards are guaranteed. If they are not satisfactory we will allow their return and all money refunded.

But you must act now--only four hundred and fifty assortments remain on hand and this value cannot be duplicated when these are exhausted.

We enclose an addressed post card with our guarantee for your convenience. Mail it today.

Yours very truly,

Levi D. Thomas

The letter which seeks to clinch the dealer's order by an offer of some prize with the sale of the goods, is often most effective; especially when the article does not involve too large an outlay of money. The above letter lays more emphasis on the prize than on the article to be sold, depending on a guarantee to give confidence of merit. A limited supply of the particular goods offered gives inducement for an early response

Then take the same guarantee against risk from the angle of a thirty-days' free trial, with payment for the goods after the dealer has tried their selling power for a certain period. The effectiveness of this appeal lies in the absolute protection of the dealer. The impression of confidence carried with an offer of goods without a payment down at once commands the dealer's confidence. When the goods are on the shelves of the dealer, or displayed in his store, their sale is practically assured.

SCHEME 5—THE FREE TRIAL

This is a clinching appeal. It does not interfere in any way with any other plan of selling, but may be used as additional force where the dealer is hard to convince. For example, one manufacturer uses this letter argument:

▲

"You can place our toilet soaps on display in your store. Give them prominence and arrange them attractively. We know the demand they will create--the sales they will bring you. To back up our confidence, we will put in a stock for your trial at OUR RISK. You sell them, collect your commission and pay us for the stock, AFTER you have proven their sales value. You incur no obligation. If you find you can't dispose of them, we will accept their return without argument."

This manufacturer goes to the very boundaries of "good business" in his aim to get the dealer's interest.

SCHEME 6—DIRECTIONS FOR DISPLAYING GOODS

If you remember that the dealer is ambitious—that he has an inborn desire to increase his business, to build it up on a substantial basis, and that, to satisfy this desire, he must sell more goods secure more profits, you may appeal effectively by giving him selling instruction in your letters. This is a subject that requires great tact, since the opportunity to offend by assuming his inability to sell is ever present. To effectually ward off possible offence, one manufacturer gives such information a distinct "news value" and suggests that it might be applicable.

For example, he writes, "Our display expert last week arranged a window in B——, which, our dealer there tells us, has pulled big results. It was used in this way," and then the letter describes how a practical window display is arranged. Then to show its application, the letter suggests, "Perhaps this same scheme would be applicable in your store. I am giving you this information because I want you to know of the most successful schemes that are being used to insure larger sales." In this way the manufacturer secured the interest of the dealer through his evident desire to aid in retail selling. Many concerns publish and send out periodic bulletins or booklets filled with useful selling hints and suggestions for the retailer. Still another concern offers the dealer a free course in salesmanship for his clerks, supplying the experience of an expert for the purpose.

SCHEME 7—LOCAL NEWSPAPER ADVERTISING

Still another manufacturer offers advertising assistance as an inducement. "You would like to have these goods advertised in your local paper over your name, wouldn't you? Your business would benefit greatly through any advertising over your name and address, if used in your local mediums where your customers and your competitors' customers could see it. We will conduct a two months' advertising campaign for you and in this way keep customers coming to your store." Such an offer gets close to the retailer's heart. The plan not only advertises the particular line of goods, but it booms his business generally. Another plan offers to supply the dealer with all his printed matter to be used on customers.

SCHEME 8—THE "PRIVATE BRAND"

Often the offer of goods made up for a dealer's private brand, is the inducement that gets his order. Take, for instance, the letter offering to the dealer a line of groceries or shoes or merchandise, marked with his name and address, or manufactured and put up under the name of his store; then the dealer, who wants to advertise his place of business, and who appreciates the prestige that a private brand gives to his store, finds the opportunity he has been looking

for at little or no additional cost over similar goods he has been selling.

SCHEME 9—QUICK SERVICE

Service is another argument to which the dealer cannot remain deaf. He wants to know why it will pay him to get his goods from you rather than from the other manufacturer. Show him that you can make deliveries, say, five days quicker; that your means of transportation insure better treatment of his goods en route; or that your house adopts a policy of absolute time limit shipments, not varying one day from a fixed schedule. Write him: "Your greatest problem is how you may get the goods to your customers sooner. We guarantee a six-day service;" or say to him, "You would like to make your jobber's stock room an annex to your store, wouldn't you? Then, here is the way you can do it. Here is a way you can carry a double stock of goods without increasing your store space. We give a twenty-four hour service, which enables you to take an order from your customer and supply the goods the next day."

To carry this idea one step further, the manufacturer may even work upon the sentiment of the dealer. Where the salesman writes the dealer, letters assume an intimate personal attitude. They appeal so strongly because the dealer is on terms of intimacy with the writer. The salesman knows and uses intimate points of contact to strengthen his grip on the dealer's interest. The selling arguments he may use in his letters therefore carry unusual weight.

SCHEME 10—PERSONAL ADVICE FROM SALESMEN

"What you need, is a line of goods that will answer this or that demand in your town," the salesman says in his letter, and the dealer believes it because he has confidence in the salesman. He realizes that the salesman knows the exact conditions of his business. Or the salesman says, "You want to deal with a house that will guarantee you against loss through overstocking or damaged goods in shipment. Our concern will absolutely guarantee this—I'll tell you frankly that you can expect only 'square dealing' from them," and the dealer believes it because

he has learned to put confidence in the salesman. "We are watching out for your interests as well as ours," the salesman writes, and the merchant is confident that such is the case.

SCHEME 11—THE INDUCEMENT OF AN ESTABLISHED DEMAND

But the effectiveness of pressure on the dealer as a method of appeal overshadows the majority of other means of approach. Pressure may be brought to bear on the retailer to compel his attention—with the alternative of his losing attractive profits and evident customer trade. "Take this line of goods with the demand supplied, or lose big profits," is a club which forces the dealer's interest. You may go to the consumer with letters and create a demand or trial sales or customers—you build up a trial order business with the consumers. Then offer the prospects or the established customers along with the bill of goods and the dealer can hardly turn you away.

SCHEME 12—CREATING A DEMAND BY CIRCULARS

Or, you may say to the merchant: "I am flooding the shoe buyers of your town with literature, and educating them to know the value of and to want the shoes I am manufacturing; I am going to create a big demand for these shoes for some dealer. Do you want the business—do you want the sales this demand will assure you? If you but say the word I will direct these buyers to your store. You must, however, take a stock of my goods to supply this demand, because these consumers won't want any other shoe because I will show them this is the one best suited to their needs. I am not asking you to buy a big bill of shoes—just enough to supply the wants of the people I will send to you." Then send customers to the dealer's store. He cannot supply the goods because he hasn't them, but let a few more customers ask for those specific goods and leave his store to ask for them elsewhere, and he will come running to stock up. It is more than he can stand, to see business slipping away from him. The pressure of the possible business becomes too great for his indifference and the problem of appeal is solved.

Even though he does not want to add new lines, he hates to see his competitors getting the additional business. He is often persuaded to listen to the manufacturer's argument rather than see the "dealer across the street" benefit. Thus, the surest method of reaching your man may be by a negative appeal.

In this way the dealer is tactfully shown that if he does not take the line a competitor will. But in flourishing the "big stick," the greatest tact must be employed. You cannot say to the dealer, "If you don't take this proposition, I'll offer it to your competitor and let him get an advantage over you," because the natural independence of the man will assert itself and he will usually tell you to "Go hang yourself," or something equally pertinent. But if you approach him in a smooth way—covering the blunt threat with velvet—you can secure cooperation.

No matter how velvety the language may be, the compelling force of the argument is evident, because of the suggestion that unless the dealer takes over the lines of goods he must relinquish a sure source of profit to his competitor. The fear of giving his competitor the advantage makes the appeal effective.

SCHEME 13—GETTING COMMENDATION FROM LOCAL ORGANIZATIONS

This idea may be carried a step further. A local selling factor which will compel the dealer's attention through the fear of possible loss of his other trade, may be brought into cooperation with the manufacturer. For example, the manufacturer may secure the cooperation of a local organization or business concern under promise of some prize or financial inducement.

There is a general principle that should be observed by manufacturers in their letters to dealers. It is to assume different attitudes towards dealers in different sections of the country. The natural surroundings of the dealer, the atmosphere and the environment, affect his viewpoint.

If you would reach the westerner most effectively, talk quantity to him. Speak in large figures, give less attention to details of the argument and hammer on service.

To the southerner talk cheapness and price, in your letters. Make your references only to small quantities. When writing the easterner pound on the arguments that refer to quality and the superiority of your product over other products, assume that his consumers want only quality.

There is yet another point to remember in appealing to dealers by letter. It lies in the mechanical make-up of the letter. This appeal is to the senses of the man. Take every precaution to see that your letters are neatly made up. Poorly written letters, smutty paper or careless folding fail to carry the desired impression of value. "Make every letter so perfect in its detail that the man who receives it will know it is a thing of value—that it was created with great care—that it is the result of unusual painstaking and that it should be handled as though it were as valuable as the priceless vase or jewel," is the instruction a western manufacturer gives to his correspondents.

In the same way, make your English unquestionable. A certain colloquial tone without sacrifice of dignity adds force, because it gets more nearly on the level of the dealer.

In seeking to reach the dealer and secure his interest and cooperation you must first consider the man and his business. You must adopt his viewpoint and talk "profits" for his business. You must adopt his viewpoint when you argue that your product is the goods he wants to handle. You must aim to aid him in his work of distribution. Then you will secure the finer appeal that the manufacturer's letter should convey.

How To Get Business *By Mail* From DEALERS

THE AVERAGE retailer has a natural mistrust of new and untried goods. He is prejudiced in favor of lines he has already handled. He is correspondingly reluctant to consider new propositions. To overcome this inertia the manufacturer must resort to UNIQUE TALKING points. Here are some successful ways of presenting these points in letters

THE average product follows an established route between factory and consumer. Midway on this route stands the retailer. The product stops on his shelves until it is handed out to the consumer.

From the standpoint of the manufacturer the biggest problem is to interest the retailer. In all probability this retailer cares nothing for a new proposition. He does not want to load himself up with more stock; he does not want to tie up more capital in his business; he is prejudiced in favor of the goods and the brands that he has always handled; he is doubtful of the demand that there may be for the new product. So prejudiced is he against new lines that he is reluctant to give the manufacturer's proposition a hearing.

To overcome this inertia and secure the cooperation of the merchant it is necessary to have some unique talking point, some unusual feature or some material inducement that will appeal to his bankbook. The manufacturer who goes on the market with a new product may start his campaign with advertising in newspapers and magazines to create a demand among the consumers and then go to the dealers with a force

of salesmen to secure their orders, but this method is expensive and not always successful, and so, in many cases, the letter has been substituted for the salesman, for the letter does the work at a cost which enables the manufacturer to cover a large territory quickly.

As is pointed out in the chapters on Opening New Territory, the appeal to the consumer must be on the quality of the goods or some improvement or novel feature, while the sole appeal to the dealer is customers—sales—profits. And to reach him by letter the manufacturer or the wholesaler must have some original scheme or some cash-register inducement that will call forth an order. The letters to the dealer must hammer on three points: the fact that there is a demand for the goods; that the merit of the product assures satisfaction, and that the dealer will have certain profits. As few goods are sold by a single letter, these different arguments may be used in a series of follow-up letters, but arguments alone will win comparatively few orders. There must be specific schemes and unusual inducements if orders are to be pulled by mail, and this chapter takes up schemes that have proved successful—schemes that have sold goods and converted a trial order merchant into a steady customer.

First and last, the only proposition that grips the merchant is some practical assistance in moving the goods. The most familiar plan is cooperation in advertising, the manufacturer furnishing booklets, cards, posters and cuts, or paying for advertising, or sending out letters to prospects.

This prize-with-dealer's-order scheme may apply to any article of every-day demand. Take for instance the sale of post cards to retailers and stationers. One manufacturer opens his letter in this way:

"There are one hundred and forty-two post card dealers on our books who have written us personal letters stating that our special display racks have more than doubled their sales the past three months. That's why this letter is of vital importance to you who are trying in every way to increase your sales and eliminate personal labor at the same time.

"Think of hundreds of people who visit your store and who would purchase post cards if a large display were forcibly

brought to their attention. This is exactly what the rack does for you. WE SEND IT FREE OF CHARGE with every order of five dollars and over. You use it and keep it as long as you continue to sell our cards.

"We have five-hundred-card assortments consisting of an enormous variety of fancy, view, humorous, air brush, birthday and greeting cards at \$5.00 F. O. B. Chicago. These cards are fully guaranteed in all respects and if the assortment does not fully meet your requirements and please you we will consider it a favor to have the entire shipment returned. Only two hundred and twenty-five of these assortments remain on hand. You must act today if you want one. Simply mark an (X) on the enclosed addressed post card and mail it today. Stand and cards will go forward at once."

The guarantee of satisfaction reassures the dealer and the limited number of sets available is a do-it-now spur that induces the reader to reach for his pen at once.

A clothing manufacturer put it up to the merchant in this way:

"In this letter you will find a special offer of a fine custom made suit of clothes free of cost--but this was not the message we started to give you. You need help in pushing sales of clothes. When a dealer puts Sackman clothes on his shelves we help him sell them. We help him advertise--send us lists of customers and we will write them letters and send them etyle booklets. You want cuts for your local newspaper advertising to make it distinctive and appealing and we will supply them for you.

"But here's the point--we're going to offer you more--for a short period. For the next fifteen days we are going to give with every two hundred dollar order of clothes, a fine tailored suit to the dealer FREE. We will send samples of cloth for you to select from and promise you one of the handsomest suits you ever wore. This offer is dated from August tenth. That means that to get the suit, your order must reach us before the twenty-fifth. An order blank is enclosed. Sign the blank today and mail to us. Tomorrow you begin getting the selling service for the clothes and within ten days you have a suit in addition."

A present with every purchase of considerable size often plays upon the dealer's desire for "goods that he can get for nothing." It has been proved in many instances that an

offer of a small quantity of the goods free with the regular orders of a certain amount, will swing the sale more readily than an offer of a discount or a cut rate equivalent to the value of the present. This is because of the impression of inferiority carried by the cut price and special discount. To cut rates implies that there is not sufficient demand for the product. Along this line of appeal was an offer by a soap manufacturer:

"With every twenty cases of our Violet Brand soap, we will give you one case absolutely free. Your sales on this additional case will bring you a clean profit. You will need fully twenty cases and by ordering that number at one time you will secure this valuable present."

Still another scheme of giving presents with purchases of goods has been used by manufacturers. It is to offer a present with each purchase—an inducement to get customers into the dealer's store. This letter was used by a shoe dealer:

"You want more customers. You want more sales--and the profits they bring you. We have decided to offer a present with every pair of our shoes purchased in your store. It is a newly patented shining outfit. It consists of a box of the best grade Shinum on the market, a fine bristle brush and a lambs wool shiner. This is an attractive and valuable present. It is the very thing every shoe buyer wants. Your sales will jump fifty per cent through the inducement of this present and the quality of the leather and the workmanship in our shoes will bring the customers back."

To make the prize offer more generally effective, a special advertising campaign was outlined. This campaign was used as a further inducement:

"Your profits on soap sales are limited. You can't sell more soap without some inducement to bring in more buyers--new customers. During the summer we are going to give away base balls to the boys of your town who save our seals. They can't get the seals unless their mothers buy this soap, but that free

baseball (and it is well made) will have every boy teasing his mother to buy this soap. Each cake of Pure Cream soap contains a seal. Five seals call for a base ball. These prize base balls are furnished by us and sent to you with the case of soap--send in the order today and have every boy in town plug for your store.

"We will advertise Pure Cream soap and the free base balls in your local papers. You want to be one of the retailers handling it. The enclosed order blank includes the special offer. You need only write your name at the bottom and the trial case of soap will be sent at once. Unless you want your competitors to reap the harvest of this campaign, fill out the blank and mail to us today."

One of the most effective schemes for clinching the dealer's order is to guarantee sales—to offer him the privilege of returning unsold goods at the end of a certain period in case he so desires. A wholesale mercantile house, which aimed to put out a line of hosiery selling for more money than the average brands because of a new feature in its manufacture, sent out this letter:

"When you order a stock of hosiery you never know just how long there will be a demand for that particular grade of goods. You may have to dispose of any surplus stock by selling at reduced prices, cutting your profits, and there is always the chance that you will lose money on the order

"So certain are we of the demand for Elwood brand hosiery, which is made with a double woven heel and toe that we are prepared to protect you absolutely--to guarantee you a satisfactory sale on Elwood brand and make this exceptional offer: We guarantee to take back all unsold goods and refund your money at the end of the season, if you feel that you do not wish to carry them longer."

The dealer, given confidence by the guarantee from the manufacturer, is made to feel that he is taking small risk. The sale of the goods is practically assured and seldom are unsold goods returned at the close of the season.

A thirty-day trial offer is one of the most effective arguments in a selling campaign. It is an absolute guarantee that can be adapted so that it will not conflict with the working of any other limited offer or scheme of a temporary nature. Following arguments consistent with good quality and economical

value, this scheme frequently proves the final inducement to bring the sale. It adjusts itself to almost any product. A concrete illustration is found in the letter of a tooth brush manufacturer who wrote the dealers:

"By accepting our 30-day trial offer, you can prove for yourself that the Olive tooth brush is all that we claim for it. Just to convince you that it will sell even more readily than we have claimed, we agree to fill this order on a 30-day free trial basis. If for any reason you do not wish to continue selling this brand of brushes after the 30-day trial--simply ship back the unsold part of the order at our expense and mail us a check for the brushes you have sold."

There can be no more effective way of securing the dealer's confidence. He takes no risk, incurs no expense, and until the end of the thirty days may sell the article and collect his profits without incurring any responsibility.

A special feature or distinguishing characteristic furnishes a selling argument that is most advantageous, and manufacturers frequently add attachments to machines or put on some new appliance with the primary object of providing a talking point. The attachment may be something that is very seldom used, but it gives a distinguishing characteristic that tips the scale in favor of that particular machine or device.

A manufacturer whose sales failed to come up to expectations added a distinguishing feature and wrote this letter to dealers:

"A good safety razor must fill every demand of the man who uses it or your sale will be small. Every good safety razor should be made to come apart easily in order to cleanse it. If it doesn't the razor will rust and your customers will be dissatisfied. The Sanito safety razor permits the use of the blade as though it were a straight, old fashioned razor, for times when the man using it wants to trim about his beard. Until you have a razor with all these appliances you won't be able to sell half the men in your town."

The dealer was plied with these arguments on the special selling features of the article, and in addition to the letters, all inquiries coming to the manufacturer from consumers as the result of the advertising were forwarded to him. Then the sale-clinching letter followed:

"Sanito razors come apart by simply pressing a small spring on the side and may be cleaned and dried easily. It takes only a moment. The Sanito has an auxiliary handle which permits the use of the blade as a straight razor. This makes it equal to every emergency. And men will appreciate this fact. You want to sell this razor; you want the additional sales and profits that a POPULAR RAZOR with a POPULAR PRICE will bring you."

The special feature of the article rendering it more adaptable to the needs of buyers, may be played upon to get the dealer's order. The campaign of the razor manufacturer is an example of how the special selling feature may be used. The scheme adjusts itself as readily to other devices.

Through a direct appeal to women, a wholesaler of a new brand of codfish secured an effective approach for his letters to dealers. He offered a five-pound box of XX brand codfish to any one who sent in a cooking receipt.

When a cooking receipt came from the housewife, he immediately wrote, thanking her for it, and explaining the proposition which hooked up with a selling scheme this way:

"Of course you know that we never distribute direct to consumers. We send the prize box of fish to dealers who distribute them. So if you will send us the name of your regular grocer we will mail him the codfish and give him instructions to deliver to you."

In this way the name of the dealer was secured and a wide opening made through which to get his business. A letter accompanying the prize codfish told the dealer, "We are sending you a box of our extra fine brand of codfish, which is creating so much interest all over the country, and ask that you give it to Mrs. Blank when she calls." Then a special proposition was made to the dealer, pointing out the desirability of carrying XX in stock.

A series of dealer letters followed the sending of a prize box of fish, and so effective was the approach that this particular wholesaler sold over forty per cent of the dealers written.

The scheme is not limited to one product. It is applicable to any food stuff sold through dealers to consumers.

Originality in the letter itself is often effective as an order-getter. A Boston wholesale grocer employed a scheme in his letters to give an added impression of value to a brand of sardines which were purchased through a London broker. So instead of writing the dealers personally, he sent out letters over the signature of the London broker and on the broker's personal stationery. This letter recommended that particular brand of sardines, called attention to the wholesaler as the local jobber, and gave the dealer confidence. Then the wholesaler followed this up with a personal letter which produced the desired results. The foreign mailed letter held an unusual appeal to the dealer, and seemed to impress him with the fine quality of the sardines.

As a direct approach to the dealer by the manufacturer, the offer of a "Private Brand" of goods is very effective. This scheme gives the manufacturer an appealing argument for his goods without preliminary creation of consumer demand. It offers the dealer an opportunity to adjust the goods to his particular business and to put his personal O. K. on the product. Price is also a strong argument in this scheme, since the manufacturer is usually willing to quote a lower price when a considerable quantity of goods are sold under contract.

While this scheme may or may not be backed up by an offer of the manufacturer to aid the dealer in turning the goods by advertising, circularizing or store display, it is usually a strong inducement to clinch the dealer's business.

Although it is evident that every scheme for getting the dealer's business must be twisted and moulded to suit conditions in the selling field and in the manufacturer's business, these examples outline the fundamental principles of several successful campaigns.

Getting Business From *Four-Corner* TOWNS

PART XI HOW TO GET BUSINESS FROM DEALERS CHAPTER 51

IN EVERY state there are hundreds of little country merchants, situated off the main highways of business, whose orders most manufacturers and jobbers never solicit. These are the obscure cross-roads dealers on whom salesmen seldom call because of the difficulty of reaching them. Although practically inaccessible, each is usually in the heart of a prosperous farming community—the center of a cluster of homes. Yet a great bulk of his trade can be handled by mail—by methods explained in this chapter

TAKE your map of Illinois, or Pennsylvania, or Nebraska, and run your finger down one of the railroad lines, You will find familiar names that appear on the salesman's order blanks. But on the branch lines and in the open spaces in light face type you will find Roseville and Middle Creek and Brown Center. Look up their population and you will find their inhabitants number anywhere from twenty to two hundred and twenty. Your order blanks show no records of sales in these towns, or at most records are widely separated.

The business of the four-corner town merchant has not been extensively cultivated by the majority of manufacturers. His stock is usually so meager and his orders so small that an expensive salesman's visit is not warranted. Then the salesman usually steers clear of this class of dealers for the trip over country roads requires too much time.

Frequently it would be necessary to insist upon cash orders, for the merchant may not be rated, or his rating may be too low to allow a line of credit.

But the small dealer's business can be secured, provided he is solicited in the right way. In fact, here is a large field, entirely neglected by hundreds of concerns that might get in on this extra business if they went after it in an enlightened and systematic way. It is a primary necessity, however, that the product is one for which a demand already exists or can be easily created—staples that are in use everywhere.

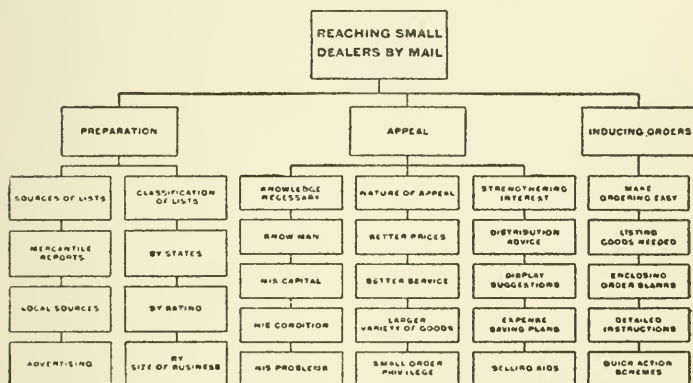
Practically all this business is now secured by general mail-order houses, simply because they are the only concerns that have made any real effort to get it. There is no reason why the manufacturer could not adopt the mail-order plan of getting this business and thereby add a desirable outlet for his goods. He can organize a small mail-order department as an adjunct to his regular selling plan. Nor is this a difficult problem. It is highly profitable, because the selling costs are so small.

To start such a department you must have the names and addresses of dealers not reached by regular salesmen. Then you must list and classify these names. Names may be copied from mercantile agency books but they list the names of only the larger merchants. A more detailed method, though more thorough, is to write to bankers, or newspaper men, or railroad station agents, and ask for the names of storekeepers removed from the main business centers. The merchants must have dealings with some bank in the adjacent town, they must get supplies from railroads, and they often advertise in the country papers. In asking for the names it is well to state frankly the purpose for which you want the names, for while country business men are usually very accommodating in such matters, they are suspicious of city business methods. Some concerns pay a small sum for lists of names or send some souvenir that the recipient will appreciate.

A third method is to advertise for names. With magazines as a medium, one sales manager used this copy: "This offer is for small town retail merchants," and then follows the specific proposition; "If you have trouble in getting trade, or if you have difficulty in holding customers, I can help you. My business is supplying small country merchants with

helpful hints on how to attract trade by window and store displays, and how to hold trade against the competition of city bargain counters. There is no charge for this information which includes a 200-page booklet telling how to run a retail store successfully. Write for the booklet." The names of merchants who asked for this information form the basis of a prospects' list.

The names must be classified. The best method is to list them on cards, to which may later be added such special information as specific business conditions, shipping routes, literature used on each customer, and sales records.



But these are all preliminary steps to gain the dealer's interest and confidence; to induce him to buy your product and make sure of his continuous trade—these are the real problems.

It must be remembered that the little merchant is usually deluged with printed matter, catalogues and price lists of every description and letters from regular mail-order houses. Unless a letter carries with it an impression of the personal message—unless it implies that it is for his reading alone, he sends it straight to the waste basket, or else he tosses it into a pile of accumulated circulars to be looked over later—a time that never comes.

It is only the letter under first class postage which carries the impression of the personal message. Give your letter the more effective appeal of the two-cent mailing. Where the proposition involves as large an outlay as an order of stock from a merchant, every possible detail which may add force to the appeal, must be carefully weighed. The four-corners' merchant has learned to "spot" a form letter, and it is a mistake to send him a circular letter, poorly filled in, or carelessly signed, in the belief that he will think it a personal message. He knows the difference, and a printed page or an undisguised general communication makes a better impression than a "sloppy" form letter.

Before you approach the small dealer with your proposition, you must know your man. You must know the conditions surrounding his business, his problems and his limitations. The difficulties he encounters in selling—the obstacles that hinder the development of his business—are unlike those of any other class of dealers. Usually he has no adequate stock room, no attractive display space, and frequently insufficient capital to buy a large stock of any line, even though he might want to. He must fight against great odds in competition. Mail-order houses are his greatest bugbear, because they often take the cream of his customers' trade—leaving him only the emergency accommodation business. Then he must fight to keep his customers' patronage and discourage their periodic trips to the county seat or near-by city stores. Besides, he has no adequate medium of attracting trade as has the town merchant with his newspaper advertising. All these problems you must know and understand. You must be a merchant at heart if you would talk understandingly to the merchant.

A sentence, or a phrase, or even one word, may betray to the merchant the fact that the writer of the letter fails to appreciate his specific business problems, and thus kill the otherwise effective argument. Hence the importance of knowing these conditions. Take for instance the argument intended to persuade the dealer that a certain brand of soaps will best meet the needs of his customers. Here a suggestion that he order a quantity out of keeping with the demand shows him that you fail to appreciate how small his trade is. Or the suggestion that a quantity of cut glass dishes be added to his stock of glassware, when it is only in rare cases that the cross-

roads merchant has a call for such an article, immediately convinces him that you fail to understand his class of trade. A loss of confidence is the natural result. All other advice becomes valueless.

In your letters that seek to carry an element of personality, keep to the level of the country merchant. Don't shoot over his head; for instance, don't use the same phraseology that you would employ when you address a city banker. Convey the message to the little dealer in phraseology with which he is familiar; use colloquialisms without sacrifice of dignity.

It is always human interest that reaches out and touches the cross-roads merchant—the letter that dips into the midst of his interests is frank, homely, personal and enthusiastic. Keep to these standards in your message and you will drive the argument straight through the dealer's natural conservatism.

Your letter must strike a vital point in his business in its opening paragraph. To secure an effective angle on which to base your approach, consider the things which most vitally interest him. Like his city competitor he wants to enlarge his business. He wants to get more sales and profits.

His ever insufficient capital gives an opening for this letter to reach him effectively:

"You say you have no money for additional stock? How much have you tied up in stickers? One dollar in goods that sell means more than two dollars in goods that stay on the shelves. You are probably planning to buy in some one of the lines you carry. Why buy so much? Why not put some of the money in other goods, investing no more in the old line than you know will be enough to supply your trade until you can buy more? Put the money saved in this way into a line of goods that you know will sell—that will bring you a good profit. Then you get profits on two lines instead of one. Gold Club Flour gives you a very good profit, and it sells. It brings customers back to you for more because it makes the best bread, the best pies and the best cakes."

Another letter strikes directly at the small dealer with arguments showing the advantages of buying by mail:

"Did you ever think how much you pay to have a sales man call on you? Here's a plain statement of fact that may open your eyes. Every time a salesman takes the expensive drive out to your place, his house adds the cost of the trip to the goods you get. Every time that high priced man spends a day with you his salary is just added to the cost of the goods. Our catalogue is OUR salesman. It is ALWAYS WITH YOU. It is clear, logical and specific. It tells about our goods better than a salesman could and it costs one-fiftieth as much. But we don't save the difference. We give it to you. We cut the price on the goods you get just that much."

And still another letter aims to wedge some orders into the small dealer's store between the infrequent calls of competing concerns' salesmen:

"There is only one way for you to carry more lines of goods with a limited capital. You must buy in small quantities and often. You don't need a hundred pairs of overalls--you don't need a dozen barrels of A-sugar. You buy five times as much as your immediate demand requires if you buy of salesmen--because he can't get to you often. You buy from us and you buy as you need the goods. You may need only two suits in each size of children's clothing. That ought to be enough, if you can duplicate any size or pattern in two days' time by mail order. Why tie up capital in needless stock? We duplicate goods in forty-eight hours."

Thus the little dealer's strongest competitor--the city bargain counter--forms the subject for a valuable suggestion and an approach for orders.

The reason why the small dealer has so limited a variety of goods is because each new line involves a considerable outlay of capital; it requires additional space, and the trade does not warrant a large stock. The salesman, because of the infrequency of his calls, wants the dealer to lay in more than his immediate needs require.

This gave a western shoe manufacturer his cue to extend his markets. He knew that many of the four-corner town merchants could not afford to carry a line of shoes because the manufacturer would sell nothing less than case lots. A line of shoes that would meet the demands of any dealer, no matter how small

would necessitate too heavy an outlay of money, with the whole-case policy. So he determined to sell less than case lots.

He wrote the small dealers: "You may never have sold shoes. Or, if you have sold shoes, you probably couldn't afford to carry a complete line. That's the reason why so many general merchants don't carry shoes. It isn't because shoes don't offer them a good profit, for there's hardly a line of goods that pays better." Then his letter suggested the scheme: "I will sell you quarter or half cases at whole-sale price—will sell you one or two pairs just as cheap as if you bought a full case of one size and style."

With the enclosure of a stock list on which the styles and sizes best adapted to the merchant's needs were indicated, this letter from the manufacturer pulled big sales. It was the idea of selling in small quantities and promising quick renewals of stock that persuaded the small dealer to put in shoes.

The letters with the approach and arguments of lower price are always effective with the small dealer. But the argument is "low price," not "cheapness," because the word cheapness usually carries the impression of poor quality.

The suggestions that aid him in every-day sales of goods, and help him to build up his business against competition, prove to him that you are interested, not merely in getting your goods on his shelves, but that you are awake to his needs and his difficulties and that you aim to give him every assistance possible.

To carry this idea a step farther, many manufacturers send out periodic bulletins and booklets, devoted to business-getting schemes that have been tried and proved successful by small-town merchants and cross-road's dealers. The schemes usually involve a purchase of the manufacturer's particular line of goods by mail. But the impression that the dealer is getting valuable suggestions free, is nevertheless carried to him and fosters his good will.

The idea of service is a strong argument on the little dealer. He wants to buy in small quantities, to fill in broken lines, and, more than all, to get rapid delivery. This letter, used to drive home the advantage of unusual service in the mail-order sale, was most effective: "We guarantee seventy-two-

hour deliveries to customers within a radius of one hundred miles. This is a hard and fast policy of ours. It practically makes our great stock room an addition to your store, since you can fill in broken lines, duplicate goods, and supply your customer's orders on new lines within three days."

24 SUIT TRIAL ORDER, FORM A

CONSISTS OF 4 MEN'S SUITS EACH, TO RETAIL AT SIX PRICES, VIZ:

\$10.00, \$12.50, \$13.50, \$15.00, \$16.50, \$18.00

TOTAL COST WHOLESALE \$216.00; SELLS FOR \$342.00, PROFIT \$126.00.

SHIP THE ABOVE ASSORTMENT OF "BLANK BRAND" CLOTHING TO APPLY
 SPRING } SEASON AND. ----- WILL RETURN ANY, OR ALL ON RECEIPT OF
 WINTER }
 SHIPMENT, THAT IS NOT ENTIRELY SATISFACTORY

24 SUIT TRIAL ORDER, FORM

CONSISTS OF 4 MEN'S SUITS EACH, TO RETAIL AT SIX PRICES, VIZ:

\$12.50, \$13.50, \$15.00, \$16.50, \$18.00, \$20.00

TOTAL COST WHOLESALE \$240.00; SELLS FOR \$382.00, PROFIT \$142.00

SHIP THE ABOVE ASSORTMENT OF "BLANK BRAND" CLOTHING TO APPLY
 SPRING } SEASON AND. ----- WILL RETURN ANY, OR ALL ON RECEIPT OF
 WINTER }
 SHIPMENT, THAT IS NOT ENTIRELY SATISFACTORY

(SIGNED) _____

(POST OFFICE) _____

(DATE) _____ SHIPPING POINT _____

DEPT. NO. 1

One manufacturer puts up trial orders, selecting goods that will meet the demand of the small dealer. It is certainly easy for the dealer to fill out whichever form he wants

But a sale clincher must be put on the letter. This is merely making it easy for the recipient to answer and order. A return envelope should accompany the letter, and reference made to it in some such way as this: "Just slip your order in the enclosed stamped envelope so it will reach the proper department head and insure prompt attention." An order blank slip with specific directions for ordering should be enclosed, as simplicity and convenience are vitally important.

Because of the wide experience which manufacturers are assumed to have regarding the amounts and grades of goods needed by the small dealer, it is often possible to suggest a complete line of goods and offer the dealer a selection which will be best suited to his particular demand.

Often the dealer is slow in taking up the proposition. To provide against this, the manufacturer offers some special inducement for a hurry-up order. One letter states, "If you attend to this order promptly it will reach us in time to get the special discount of five off, during the month of July." With another is enclosed a coupon, across the face of which is written, "This coupon is worth \$10.00 during the month of September," and on the opposite side of the coupon is written, "Return this coupon, which is given only to a selected list of customers, with your order for fifteen fall suits, and it will be worth ten dollars during the month of August." Still another scheme used to induce early orders is to offer a selling guarantee with the goods in case the order reaches the house before a certain date. A small coupon, on which is written a guarantee to take back all unsold goods at the end of a certain period, if they are ordered before the date specified, is enclosed with the letter. This scheme gets quicker results with orders. Besides, the guarantee adds confidence in the mind of the dealer.

One order does not make a regular customer. You must not expect to hold the continuous trade of a dealer without persistently following him up with letters to impress him with your interest and your desire to aid him. The service given is an important factor in holding his good will. When you promise deliveries, make the promise good or else make a satisfactory explanation. Here, also, the periodic bulletins and booklets of selling suggestions aid in holding interest. A system of special notifications of bargains offered shows him that you are watching out for his interests and impresses him with the accessibility of your house. It is the persistent following up of these little details, each minor in itself, that rounds out the complete idea of satisfactory dealing by mail with the little country merchant—that insures his continuous trade—and that gives the side-issue-mail-order department an appreciable value to the regular selling end of a business.

Opening New *Selling Fields* by MAIL

PART XII HOW TO OPEN NEW TERRITORY BY LETTER CHAPTER 52

IF TRADE were limited to the customers who came into personal touch with the salesmen, buying and selling would be limited to the corner store and local factories. But the mails have enabled the buyer to seek wider markets, overcoming the handicaps of distance. To find such buyers is the aim of every house that can extend its field of operations by selling goods by letter. Here are some ways by which it has been done

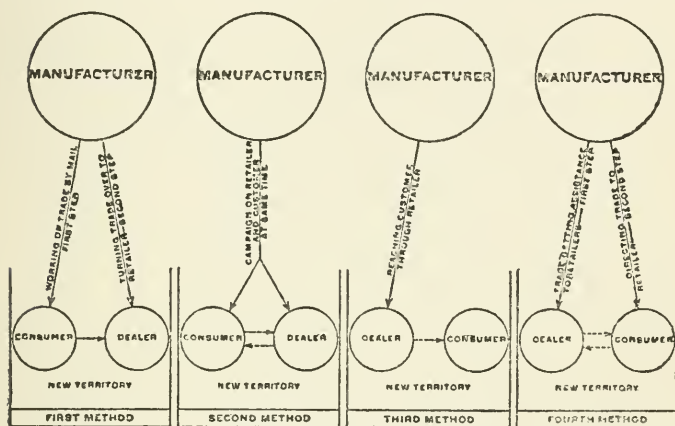
MARKETING a product hitherto entirely unknown, or expanding a business to a new field of trade, is a big undertaking. Every producer, whether he is the head of a small business with a limited capital, or of a great corporation with a hundred-thousand-dollar selling appropriation, must evolve some effective method for extending his markets. He must follow the road of least resistance and cultivate inexpensive systems, for his profits will depend, not so much upon the cost of production, as upon the marketing of his goods at the least possible expense.

There are several ways of marketing goods in a new territory—usually expensive and slow in producing results. Or, demand may be created in time through high-priced advertising, or salesmen may be sent into the field to “work up business”—another slow and expensive method.

The simple and economical scheme is to use letters as the selling medium. They creep in silently behind the competitor and insert the wedge that opens an entry for the new product.

They impress the consumer with arguments on quality and merit; they educate him to prefer this article for some good reason and thus create a demand. They get customers and build up trade. Usually the manufacturer does not care to sell direct to the consumer—he is a producer and wants to avoid the details of retailing—and with a following of customers to offer with his goods to the dealer, he commands attention.

In starting a campaign to educate the consumers in a new territory three things are necessary: to determine the extent



The four methods of opening up new territory by letter

of the campaign; to secure lists and classify prospects, and to determine the arguments to be used.

The extent of the campaign depends in each case on the nature of the proposition and the pressure necessary to interest the dealer. The various sources of names are taken up in other chapters as well as the method of testing lists and trying out letters and schemes.

The arguments to be used will depend upon the people to whom one is appealing. If lists can be divided into classes, it is then possible to shape the arguments to appeal most strongly to each group. To one class quality may be the best talking

point; to another class economy is the irresistible argument, while to others the convenience of the device or the style of the goods may arouse their interest.

The whole object of the letter is to convince a man he should try your goods; the battery of arguments should be trained to bring down the trial order. Convince a man that your product for some good reason is peculiarly adapted to his wants and in presenting your appeal you must be quick on the trigger—wing his attention in mid-air.

But the letter must not merely arouse curiosity or attract momentary interest by some clever scheme. It must be educational, for while the attention must be caught quickly and the trial order secured, the plan must be much more far-reaching—it must educate the consumer to want your product.

Possibly quality is the one argument that will make the greatest appeal; your goods may have some unusual merit, some superior value. So you play up the quality of material. Or, you may want to emphasize some advantage in construction; or price may be your big inducement.

The strongest appeal is usually made through some original selling plan; or through some new feature, or make-up of the goods—some distinguishing idea that the other man has not used. Try to find an angle strikingly out of the ordinary for originality is the lever for prying loose a prospect's interest.

A shoe manufacturer found a new angle in approaching the consumer:

I pay twenty-eight cents a foot for the first grade of calf skin leather used in our Blue shoes. I could buy the second grade at twenty-five cents a foot; only an expert can tell the difference. At three feet of leather to a pair, I could save nine cents here--a good many do. If I did this, my shoes would be like all others--but I don't. I know I could take about twenty-five cents out of every pair of shoes by using inferior material, but I aim at quality. I want every shoe that leaves our factory to have absolutely the best wearing qualities.

Ordinary shoe advertisements do not leave much of an impress, but this grips my attention. It is a new angle on the problem of the manufacturer; I see a good reason for not buying cheap shoes; I am convinced this manufacturer's shoes are well made.

But it is not enough that arguments should be carefully aimed after the range is found; they should be backed up with a strong guarantee that will inspire confidence.

In selling staples, the actual difference in the goods advertised is hard to explain; it is difficult to differentiate one brand from other similar lines and so the guarantee of satisfaction and the low cost should be played up.

The whole aim is to get the trial order. That is the first hook. It will hold the prospect until he can be landed as a regular customer. For the manufacturer or wholesaler cares little for a single sale; he works hard to make this sale simply because it will lead to others. What he wants is an established clientele to offer the retailer and so he hammers away with the "money-back-if-not-satisfactory" proposition.

"If it isn't more delicately fragrant than any cigarette you have ever smoked, we ask the privilege of returning the money you paid for the package." This is evidence that the cigarette is a good one. No smoker would hesitate about sending for a trial package.

Give the customer a hard and fast guarantee. Here is the wording on a card by which a clothing house won confidence

"This suit of clothes is guaranteed to be one hundred per cent wool; it is made by Al tailors; it is given one hundred per cent shrinkage and will give absolute wearing satisfaction. If a single cotton thread can be found in the cloth or if cheap labor is found to have been used in its manufacture, or if the buyer is in any way dissatisfied after purchasing the return of this card attached to the suit will bring a refund of the money paid."

Such guarantees give the consumer confidence, but even that is not enough—you want his order. To provide against his holding off or delaying, give some little "hurry-up" twist to the letter. "This is a ten-day offer," or "You must get the goods *now*." Another plan is to apply the limited number idea; thus, "We are making this offer to only the first hundred persons who purchase. You want to be one of that first hundred. Send in the enclosed order blank today." The time limit usually proves effective.

If the consumer fails to order, a follow-up letter is mailed—provided the proposition warrants it. Usually a series is necessary

before there are enough regular customers to make a leverage on the dealer. The length of the follow-up will depend upon the value of the article sold, upon the allowance set aside for the campaign, and the difficulty of exploiting the product.

A manufacturer of an article used by women in their home work found that it would be impossible to get his goods on the retailer's shelves by ordinary methods without an enormous expenditure. A virtual combine, controlled by merchants, shut him out from the field.

He at once began circularizing the consumers:

"Your dealers are looking for the biggest profits on their sales without attempting to give you value received for your good money. They know that to sell at so low a price I must reduce their selling commissions, because to give you the same quality at a lower price must mean a reduction in selling cost. It isn't because of quality that they refuse to supply you with my goods--that they palm off other goods less meritorious, at higher prices. It is because they want a bigger profit."

The first letter was followed ten days later by a second, further emphasizing quality:

"Here is a sample of the quality of my goods. Just lay it side by side with the goods you are paying one-third more for at your dealers' store. You'll find it is not only JUST AS GOOD but it is finer weave--a better combed fibre. It will wear double the time of the goods you have been using. If it doesn't just send it back--even if you have used and soiled it. I'll refund your money willingly "

He was successful from the first, because he found a new argument and his marksmanship was accurate. His goods soon became known as the most popular priced in the field. When he could show long lists of customers, the time was ripe to leave the details of retailing and to confine himself to producing. "I am going to appoint a dealer in your locality," he wrote the best retailers, and they bid for the agency. Not only were they ready to handle his line, they even guaranteed minimum sales.

The manufacturer of a high grade linen wrote the women of the country within easy shopping distance from each dealer's store:

'Since the price of linens has gone up, many manufacturers have cheapened their goods by using a lower grade thread. They know you can't see this--and you can't. But you will notice the difference in the line of the goods. They won't stand the wear. Our goods have never changed; we guarantee the quality and wear. For one month we shall sell at this reduced price to enable you to try out our goods--to see the long life of HONEST MADE LINEN. If it doesn't suit you or if you are dissatisfied in any particular, you may send back the goods to us--at OUR EXPENSE, and we will refund your money."

Orders came slowly at first, but other equally forceful letters followed at intervals of ten days and got the desired customers. Then the manufacturer went to the dealers:

"I can give you sixty new customers. I'll send them to your store if you will handle our goods."

The dealers came with a rush. The customers' names were turned over to them and the consumers were asked to patronize the local dealers.

The entering wedge to the dealer's business is "profits customers and sales," offered with the bill of goods. Get a list of customers, and offer them to the dealer.

Tell him that a dealer is to be appointed in his locality and that you intend to turn over to him an established trade--customers who have learned the merit of your product and will insist upon having it. If you can offer him the exclusive selling rights for his territory and an established trade, he will jump for the business.

If there is an established trade that can be turned over to the dealer he will frequently do more than consent to handle your goods; very likely he may be induced to sign a contract for a certain amount during the year. In fact, if a manufacturer has built up a trade that he is willing to turn over to a merchant, it is no more than reasonable to ask that merchant

to agree to buy a definite amount of goods during the year, thus assuring his active interest in pushing their sale.

One firm writes to prospective dealers at this stage of the negotiations:

"Since we are giving you an assured business--certain profits, customers who will come to your store, while all you have to do is to hand them out our goods and collect your profits--it is only fair that you guarantee to treat these customers well. We want to make sure that when they come back again and again for our goods they will not be disappointed; we want to make sure that you will keep these goods on your shelves."

With this argument and the leverage of certain customers to whom the dealer may sell other goods, he is persuaded to sign a contract for a specified quantity to be used during the year--and having agreed to buy them, he is certain to push their sale.

If he falls down or loses interest, the manufacturer can go out on a still hunt and work up more trade, and then go to the dealer and say, "Look here what we have picked up--business that you ought to get, for it is right at your door. Go after it hard, or we will have to place our line with some other dealer who appreciates this field."

No merchant cares to contemplate having a line taken away from him and given to a more progressive competitor--and have this competitor make capital out of the change. It spurs him to greater activity.

The manufacturer or the wholesaler who can appeal directly to the consumer and develop a retail trade by mail possesses a leverage that will force open the doors of the most conservative merchants; induce them to bid for the business and then keep a pressure behind them that assures their continued activity in pushing the goods.

Get the consumers; establish a clientele and your problem of opening new territory through the retailers is solved.

How *Manufacturers* Drum Up Trade For The DEALER

PART XII HOW TO OPEN NEW TERRITORY BY LETTER CHAPTER 53

THE DEALER *does not care for merchandise on his shelves, HE WANTS TRADE. The bigger the demand for his goods, the greater are his profits—and proportionally greater are his purchases from the manufacturer. Hence it is to the manufacturer's interest, not only to sell his PRODUCTS to the dealer, but to deliver the DEMAND FOR THOSE PRODUCTS as well. This chapter explains how some manufacturers created a market for their goods as a lever in getting the dealer's order*

THE letter campaign which aims at developing a new territory or marketing an unknown product, may be directed at the dealer and the consumer simultaneously.

Instead of building up a clientele of mail-order customers, the manufacturer may induce the dealer to supply the demand immediately. The details of conducting a retail business are avoided, and the co-operation of the dealer is secured in turning the trial order into established trade.

Old selling arguments, price and quality—unless extraordinary—fail to get under the skin of the dealer when applied to a new and untried article. Why should he add a new line and go out to drum up interest in it? Why should he? What's the inducement? He must be offered more than mere merchandise. His interests are along the lines of sales, profits, customers, service. He cares nothing for the

goods—anyone can fill up a store with goods. What he wants is a demand—trade. Give him a demand along with the goods.

It is a distinguishing feature of an article that appeals to the consumer, while the selling power of this feature gets the dealer's interest.

First, in this double-barreled campaign, play upon the fact, in your letter to the dealer, that you have a feature with which to secure the consumer's interest and get his business. Hammer on your elaborate plans for circularizing the consumer in your opening campaign—and you will have him taking notice. Besiege the dealer with arguments on profits, sales, new business that the campaign will create.

The success of this method depends largely upon the skill shown in handling the arguments. You must make your new feature or your better quality create a desire and then use the other end of the club on the dealer—make him put in your products to supply the demand.

The clothing manufacturer writes to the consumer.

"Just take this coupon to Mr. Brown's store and tell him you want to try on a suit that's made RIGHT--tell him you want only the clothes sold under our guarantee and show him the coupon with its signed guarantee. He will give you a try-on. You are not in anyway obligated--you don't need to buy. Just go in today and look over the styles "

To the dealer he writes:

"Take care of your customers and they'll take care of you. There's no profit in selling a man his first suit if that one sale turns out to be your last to him.

"The first order means established trade--and we are going to get those first orders. \$100,000 is being spent this spring in advertising our Madewell garments. Not only in general publicity but letters, personal letters, will be sent out to the desirable prospects. These letters will reach not only your customers but many men who have never been in your store. You get this advertising free and you get their trade by putting in enough of a stock so these customers will not be disappointed when they call on you. We will do the rest; we will get them into your store; we will furnish goods that will almost sell themselves--it is up to you to show the Madewell garments and profit by this new business."

Style, fit, wearing qualities—these are the arguments you use on the consumer; free advertising, new business, satisfied customers, more profits—these are the arguments that land the dealer. Once his order is placed, his money invested in the goods, it is easy to get him to cooperate in pushing them.

A shoe manufacturer entering the field found it hard to break into the retail stores with the hand-me-down arguments of price and quality, so he began to look for the weak point in the manufacture of shoes. He decided it was the fit, and so he loaded his letters with the one argument—fit. The letter to the consumer called attention to the fact that this shoe was made in quarter sizes, which mean absolute shoe comfort.

"Instead of having to wear your shoes six months before they are soft and pliable to your feet, Simply stick your feet into the shoes.

"I know you are incredulous. I know you will not take my statements for any more than you have taken others; but I am willing to pay you to investigate. In order to show you that everything I claim is based on absolute fact, I am making you this offer: within the next ten days you will take this letter to your local dealer and with each pair of shoes you try on and wear across the room, he will give you one of our celebrated mercurized shoe polishers--something absolutely new--simply rub it on the shoe two or three times and you will have a polish as good as a bootblack could give you in an hour's labor. I am willing to do this in order to get you to try on the shoe."

Here an inducement was offered that was sure to bring the recipient into the store, for the "something-for-nothing" proposition touches a vulnerable spot in human nature.

An advance copy of this letter was sent to all the shoe merchants in a town. Each dealer was asked frankly if he could afford to turn down these customers; if he was going to stand idly by while thousands of customers marched into his competitor's store.

"In fifteen days I'll have all the shoe users--every buyer in town--flooded with letters similar to these enclosed. I'm going to galvanize your town with these letters. I'm going to send lots of buyers to some stores--I don't know yours will be among them but I hope so."

To put on the final clincher, the manufacturer adds that it is a thirty-day offer, and he further agrees to take back all unsold shoes at the end of sixty days.

It is an irresistible offer. He cannot turn it down. Like the consumer, he is told that the manufacturer knows that he is incredulous, that he has heard all these things before, but that the things now claimed are to be lived up to. He is offered an opportunity to try out the proposition at a small investment. Thus the dealer trade is established. The new territory is opened up.

The consumers' side of the campaign may be carried one step further, in order to give more weight to the club used on the dealer. If you offer to send buyers to the store of the dealer, instead of mere prospects, he will come on his knees to you.

A scheme of this kind was used by the manufacturer of embroidery silk in a territory where his previous attempts to establish trade had met failure.

He began a sales letter campaign direct on the women consumers. "With a certain amount of silk," the letter promised, "a stamped piece ready for embroidery would be given away free," and thousands of women were attracted by the offer.

The purpose of the campaign, however, was not to create a mail-order business, and purposely the stamped piece given away required twice as much silk as the order accompanying it. This insured a second purchase from each woman.

The manufacturer shaped his campaign so that a dealer in each town should fill this second order. As rapidly as possible the names of the first purchasers were classified by towns. As soon as an impressive list had been collected the leading dry goods house was assured that twenty, or forty, or one hundred women wanted the company's silks—were actually waiting to buy them.

A successful milling company adopted the "double-barreled-letter-campaign-on-consumer-and-dealer" plan to market a new flour. It was the best grade of flour it had ever put out—the very best it could make, and the natural course was to make superiority the distinguishing feature. But any number of concerns were playing up quality—and shouting just as loud—so it was not likely attention could be attracted in that way.

The guarantee was adopted both on the consumer and on the dealer. Tested arguments were used in letters to the women of the better class:

"We want to reach women who are looking for a truly superior flour--a flour that will give the most complete satisfaction, the best and most economical results that are possible. We have such a brand of flour It is FAR SUPERIOR to other brands and we want to prove it to you. So we make this unusual offer. You try our flour AT OUR risk--not at yours "

A couple of paragraphs were devoted to "reasons why" the flour is superior and then the inducement was made:

"Try a sack of our flour, making as many bakings as you wish. If you are not then satisfied that it is the best flour that you can buy, your money will be returned without argument All we ask is that you hand this coupon to your grocer If your grocer does not sell our flour he can easily get it for you. If he won't, put a stamp on this coupon where our address is given, sign your name with the name of your grocer in the space and drop it in the mail box. We will see that he supplies you. Do it today before you forget it "

A coupon was enclosed—a coupon always possesses more value than a plain letter or a free-for-all offer—and plainly stated that the lady was to be the sole judge of the merit of the flour and that a partly used sack could be returned for a refund of the money.

To the dealers the manufacturers wrote:

"We are writing YOUR customers as well as every flour user in your locality. We are flooding your customers as well as your competitor's trade with reasons why they should use this flour in preference to any other. Here is your chance to get an advantage over your competitors. We will send hundreds of their customers to your store inquiring for our flour. They won't take any other because we have offered them an unusual money-back-if-not-satisfactory-after-using-guarantee. No other concerns have offered them this. Get their business when it comes. Don't lose the profit by letting them go elsewhere. Get a trial shipment now and supply this demand. Fill out the enclosed trial order blank and mail to us today."

These arguments were applied in a series of ten letters. The consumers got a letter every ten days; the dealers at the same time. Orders came in by the hundred because the consumers kept asking the dealers to get them a trial sack. Dealers were forced to comply with the conditions made by the manufacturers, because they wanted the profits of the sales. The consumer guarantees brought back only here and there a request for refunded money, because the flour, once given a fair trial, showed its merit. When the plan was running smoothly, the managers decided to balance their books to determine how near their estimates had hit the actual expenses of the campaign. There was hardly a shade of difference.

This is the most familiar method of entering new territory—a campaign that centers on both the consumer and the dealer. The advantage is that it may be used successfully in any line of business—dry goods, clothing, groceries, drugs, novelties, specialties—they are all successfully marketed in this way. It is effective because of the double pressure that may be exerted; the manufacturer and the consumer are both urging the dealer to handle the article; the manufacturer and the dealer are both urging the consumer to use it.

There is hardly a business that does not have to fight for an opening. Every manufacturer, importer, jobber and wholesaler has to work to have the retailers handle his particular line of goods. The merchant is besieged on all sides by salesmen and by propositions that are tempting but his capital, his space and the character of his trade necessitate his selecting his lines carefully. It is so easy to buy goods; it is so hard to establish a trade that the manufacturer who will create that demand for him, give him free advertising and lure customers into his store, is surest of his trade. The campaign on consumer and dealer lands the business when either campaign alone would fail.

How to *Interest* New Dealers by CORRESPONDENCE

PART XII HOW TO OPEN NEW TERRITORY BY LETTER CHAPTER 54

DEALERS *handle a manufacturer's products because of the inducements of PRICE, EXCLUSIVE TERRITORY, special SELLING PLANS or similar specific advantages that the manufacturer can offer. To the extent that such selling propositions can be put up to the dealer by mail, to that extent is the manufacturer's selling field enlarged. In this chapter are illustrated some of the methods by which manufacturers have opened up new territory by means of letters to dealers—letters that offer attractive inducements in attractive form*

THE problem of the manufacturer is to get the dealer to handle his product. One manufacturer may reach this end most readily by taking the circuitous route of working up a clientele and using it as a bait to get the retailer, another may make a flank attack, getting customers to bring pressure in the rear while he brings pressure in front. A third manufacturer may not be able to use either method effectively; he may find it better to go direct to the dealer and make inducements that will get his orders.

While quality and price do service here, as in every selling campaign, every manufacturer strives to get his product in a class by itself; he strives for some distinctive feature; some actual improvement; some good talking point. He realizes how difficult is the problem of introducing any product that is merely "just as good as" old familiar brands. It must be better or there must be some selling advantage if the live dealers are to handle his product in addition to or in place of other goods.

The merchant moves in the course of least resistance—and that is to carry the goods he has previously sold, the goods with which his trade is familiar. To change his course, additional profits is the lure that must be presented in some form—more customers, more sales, a bigger business.

One of the familiar schemes is to offer the dealer exclusive rights in his town. From chewing gum to automobiles, the exclusive selling rights have a powerful appeal. The more widely advertised the particular machine or brand or trademark, the more ready is the dealer to take advantage of this publicity.

Here is the way a manufacturer approaches the dealer with an exclusive selling representative proposition:

Dear Sir:

You would not be justified, of course, in selling our safety razors unless you could make larger profits than you are now making.

But if you were convinced that you could make from 10% to 20% more profit than you are making at present, you wouldn't hesitate a moment about taking on our line, would you?

Well that's exactly what you can do with our safety razors.

Remember, when you buy of us the transaction doesn't end with our sending you the razors. We actually sell the razors for you.

First, by the enormous magazine advertising which we are constantly doing and which will cause people to come to your store and ask for our razors.

Second, by use of printed matter bearing your name and address which we furnish you free of charge.

Finally, bear in mind that you will be handling goods with a reputation, and the very fact that you represent us in your locality will add to your prestige, and this means dollars to you.

If you place an order for two dozen safety razors we will give you the exclusive selling rights in your city. The demand will be created; it is certain to grow. Are you going to profit by this business or is your competitor?

Why not make the start to-day--you'll never regret it,

Yours for greater profits,

SANITO SAFETY RAZOR CO.

Aside from improvements, better quality, and exclusive selling rights, there is the opportunity to interest the dealer in some new article, such as a fireless cooker, or the vacuum cleaner. Here again the manufacturer has an abundance of material for talking points, as progressive dealers are always ready to take advantage of a growing demand.

Frequently the dealer can be waked up to some new opportunity. You may be able to point out to him the way to develop some additional line of trade.

A manufacturer of automobile accessories opened up a good territory by the application of this idea. He learned that a new macadam road, then under process of construction, would materially lessen the distance between two cities. It would inevitably become a popular route for automobiles. He immediately secured the names of hardware dealers in the towns along the route, and began an educational campaign. The significance of the new road had not occurred to them. He wrote:

"Your new macadam route between B--- and W--- will be completed early in the summer. Think of the great field that will be opened up to automobilists by this road. B--- is a city of half a million, with over ten thousand machines used solely for pleasure riding. It is a safe estimate that half the automobiles owned in these two cities will use your road every month.

"You can see what a demand for automobile accessories and supplies will be created. You are naturally in a position to supply this demand. You want the additional business and the fine profits that the sales of automobile accessories and supplies offer. You can easily arrange to install a small department in your business place for such stock."

And then the letters pointed out the special advantages of the particular line of accessories offered. As a clincher the manufacturer wrote:

"You don't want to wait until others have established a trade with the automobilists. You want to be just a little ahead of the other fellows--you want to get the jump on them and get your name among the motorists as the best place in the territory for supplies. Here is a list of accessories that you will need at first. Check off the amounts of each article you want and mail the list today. We will send complete instructions regarding the best way to arrange your stock and handle the business."

In this way the manufacturer played upon the prospect's appetite for more profits and his desire for business that might go to his competitors. Thus he opened up an entirely new territory by being before-handed, by educating the dealer and getting the order before the other manufacturers woke up to the situation.

A free trial or an order placed at the risk of the manufacturer appeals to the dealer no less than to the consumer. The manufacturer of chewing gum successfully approached the retailer from this angle:

"You probably have been selling gum, but you had to pay for it whether you could dispose of it or not. I'm not going to ask that of you. I merely want the privilege of displaying my new gum on your counters, that you may see how readily it will sell. Merely sign the enclosed card, telling me to send you a trial order, including a large glass display case. Put the gum in the case; put the case on your counter and watch it sell. When the trial order is gone you collect your profit and pay me for the gum. I will give you the glass case."

Then the manufacturer added, to this guarantee of selling profits, a hurry-up clincher: "This is a ten-day offer. Order NOW while there is an opportunity to try out this gum at our risk."

This selling feature was an almost irresistible one. This guarantee of profits encouraged trial orders, while the gift of the display case kept the goods on the counters within easy reach at all times, and the gum sold itself. Within a year that chewing gum was known almost universally. No other selling medium than letters was used.

The prize-with-customer-sale plan is another effective approach. It was used effectively by a large western soap manufacturer. He wrote the dealers, offering to give their customers handsome prizes for various amounts of soap purchased; "Each cake of soap will have a coupon, and for every twenty, forty, or a hundred coupons turned in, you are authorized to give a valuable present. We will supply the presents. They will be sent to you with the trial order and you can display them in your store. They are handsome presents and will bring intomany new customers your store."

Something for nothing always attracts customers. Offer them a prize with a certain number of purchases and they will keep buying until they secure the present. Dealers know this. Therefore, when you offer the dealer a legitimate profit on his sales, plus presents for his customers, he is interested, for the inducement is something tangible—it will draw trade to his store.

In addition to the usual selling argument used, one manufacturer of a mechanical device offered to give the dealer a delivery cart, made to represent the article. "This cart will be a constant reminder to your customers that you sell this article, and it will be a continuous advertisement for you."

Concerns making food products have found the free demonstration proposition a winner with many merchants. If the firm is trying to place a new breakfast food or a brand of canned goods or a beverage, the merchant may be induced to put in at least a small order on the strength of a demonstration which the manufacturer will conduct at the store. A personal representative will take charge of it; the demonstration will be advertised in the newspaper and by personal invitations to the ladies to call and sample the product. No manufacturer goes to the expense of such a campaign unless his goods have merit that will lead to sales. So if the merchant is not asked to lay in too big a stock, this proposition is almost sure to get his name to an order blank.

Frequently a manufacturer will try to secure some local influence to help push his goods onto the merchant's shelves. An advertising contract dangled before the eyes of a newspaper man will usually induce him to use his influence with a local dealer to add a new line:

"Would you like a contract for 350 inches of roofing advertising? This is all new business, business that has never been placed in weekly papers before. Electrocs of the ads are furnished; you will be at no expense in handling this high class advertising.

"If you want this business, go to some local dealer and get him to place an order for 100,000 feet of double strength roofing. This is the best roofing ever placed on the market; it will be easy for any dealer to dispose of this amount in a few weeks but he takes no risk, for the manufacturers will buy back at the end of the year all unsold material."

"And if your paper makes good on this advertising it will be a year-in and year-out source of income. The whole thing hinges upon your confidence in your own medium as a method of selling roofing."

Such propositions are usually made through an advertising agency and the newspaper man is often glad to act as salesman, for the advertising is "velvet"—business that he could not otherwise get. Then, too, he wants to stand well with the agency in order to get its future orders.

The dealer is usually anxious to curry favor with the press and will go further for the local newspaper man than for any salesman the manufacturer might send out. Sometimes the agency writes to the dealer at the same time to pave the way for the call from the newspaper man:

"We are getting ready right now to sell more roofing in your section than has ever been sold there before. Some dealer can pocket the profits without RISKING ONE PENNY. Scores of new customers can be brought to your doors asking for Double-strength roofing. Do you want them? Your competitor's customers will come to you looking for Double-strength. You may be able to make them your customers on other lines as well. Do you want the opportunity? Only one man in a town can sell this roofing. That means that if we form a connection, the undivided profits from the sales of our goods are yours as long as we stay together. You are the only man we have written to because you can handle the distribution most conveniently."

Occasionally other local influences are available. Manufacturers in unionizing a factory frequently get the local labor leaders in strong union towns to bring pressure to bear on the merchants to handle their goods, and in many places this is a powerful influence. In rural districts the manufacturer may be able to work through some grange organization, and if some prominent individual can be induced to try a new machine or device or line of goods, his name as a reference carries weight with the dealer, and the same argument by which the manufacturer induces the retailer to put in a new product is available for the merchant in moving the goods.

Dealers are almost always impressed by the publicity given to any widely advertised article. Many manufacturers con-

cede that the principal benefit to be derived from expensive magazine advertising is the effect it has on the dealer, for on the strength of these big appropriations many retailers are induced to lay in a stock of goods, the only advantage of which is the wide publicity given to the brands or trade marks. Manufacturers try to persuade the merchants to put in a stock before the first gun of the campaign is fired, but there are some who never climb into the wagon until the procession starts. Here is the way one manufacturer wrote to his luke-warm prospects just after a campaign had started:

"Last week the house advertised in all the leading magazines, Special French Edge Mattresses, full size--60 pounds--regular price \$30.00 at the reduced price of \$18.50 each. I know from inquiries that a display in your window will bring in the sales and profits to you. To insure you a good profit, I can quote you--on lots of twelve.

"This offer is limited, for our whole purpose at this time is to get a live dealer in each town. If you don't want to handle this line, someone else will, so we can't be expected to hold the field open in your city. It means profits to you if you get busy now. Write at once or telegraph at our expense."

Exclusive rights, the money-back-if-not-sold proposition, free advertising in some form, or a demonstration, first in the field with a new article, pressure from some local source these are the methods used by manufacturers in campaigning to get the dealer. Special inducements or outside influences are the forces that move the retailer. The proposition is always viewed from behind the cash register and the manufacturer has a hard road to travel in introducing his new product unless it has some obvious advantage, some convincing talking point or a selling margin that will magnetize the retailer's store and attract customers for that particular article.

Building Up A Trade For the RETAILER

PART XII HOW TO OPEN NEW TERRITORY BY LETTER CHAPTER 55

THE SHOP-KEEPER *naturally buys the "lines" that he can sell most readily; his greatest profits come from the goods for which there is the biggest demand. He gives preference, therefore, to merchandise for which the market has been created. The manufacturer who assists the dealer to create the market paves the way for future orders.*
This is one way of doing it

MANY manufacturers seek merely to get their goods on the merchant's shelves, depending entirely upon the efforts of the dealer to sell them, and order more. If their products are new or possess some conspicuous merit or improvement, this may be sufficient, but with the staples, where competition is keen, many manufacturers are not content to await the slow growth of trade built up by merchants who have no incentive for pushing one line in preference to others.

The ambitious manufacturer is not only willing but anxious to help the merchant. He wants to stimulate the demand for his goods; he is ready to spend money in advertising in giving demonstrations, in distributing samples—anything to bring his products to the favorable attention of the public.

The first step is to secure the cooperation of the dealer, and the offer to conduct a local publicity campaign is usually a lever that brings the desirable merchants into line. The most familiar scheme is to supply the dealer with a stock of samples, provided he agrees to distribute them and to carry sufficient

stock to take care of any demand that may be created. As the manufacturer finances the campaign, the merchant is in the position of having little or nothing to lose and much to gain. The work of distributing the samples is slight compared to the benefit he derives from bringing so many possible customers into his store.

When his interest is enlisted the merchant can help the cause along by furnishing the manufacturer with names of customers and prospects. Frequently his own stationery is used to give the letter to them a more intimate tone.

Another great service the dealer can render is in handling the samples. For instance, the recipient is much more favorably impressed if the merchant reaches up to a shelf and takes down a sample than if he dives under the counter and drags it forth from some hidden box. Then, too, a casual word about the quality of the goods or calling the recipient's attention to some new feature leaves an impression that is likely to germinate into a demand for something more than a sample. These little points are urged upon the dealer as his share in making the campaign a success.

SCHEME 1—THE CARD THAT IS EXCHANGED FOR A FREE SAMPLE

These preliminary steps having been taken, the manufacturer goes out to round up possible customers. Here is the letter sent out by the distributors of a new brand of coffee:

Dear Madam:

Will you let us show you what delicious coffee 25 cents a pound will buy?

Then get a package of B. B. brand and try it at our risk.

You would scarcely believe that such delicious coffee could be sold at 25 cents--unless you happened to know that the flavor of coffee depends largely upon the blending.

The blending of coffee has been a life study with us. We know just how much of one kind to use for richness, of another for delicious flavor and of a third for its exquisite aroma.

The result is the B. B. blend that we want you to try.

The B. B. is sealed in air tight packages while crisp from the oven. Our roaster, a man of thirty years' experience, can tell you, by the look of the coffee berries, just how much heat is necessary to bring out their full flavor and fragrance.

The Central Grocery will handle the B. B. coffee, and we have instructed the proprietor to give you a sample package with our compliments. Take it home and try it--that is all we ask.

Remember you can purchase a pound package for 25 cents. If you like the sample, try a full package, and remember that if you are not entirely satisfied that it is the most delicious coffee you ever tasted for that price, one word to the Central Grocery and they will refund your money.

Don't be satisfied until you know what delicious coffee your twenty-five cents will buy.

Very truly yours,

Samuel S. Franklin

Samples promiscuously handed out or piled up on the counter or in a basket with a "Take One" card, do not begin to bring such results as the samples that are judiciously distributed after a letter has interested the recipient in the article.

This lure of the free sample appeals to the men no less than to the women, if the article is something they use. Distributors of tobacco products use this method frequently.

After a dealer has been secured in a place, a company sends out the following letter to known smokers of the better grade of cigars:

"Wouldn't you like to find a cigar that combines just the right blending to give it aroma and fragrance, without the usual weedy taste? These cigars are made of the finest selected Havana leaf--but we shall not try to describe them. Instead we are going to give you one, just a sample, that you may try it, without spending your money, and judge for yourself. Go into Brown's store tomorrow noon after lunch and give him this coupon. He will hand you a cigar with our compliments."

Such methods are more expensive, but they bring results. The letter can be depended upon to pull the prospect into the store for the sample, and having done this, it has accomplished,

its mission. Future sales depend entirely upon the quality of the goods.

Frequently a coupon, which the lady can exchange at the store for a sample package, is enclosed. Here is a letter that a large manufacturer used extensively:

Dear Madam:

The enclosed card certificate entitles you to a full-sized can of Harvey face powder--ABSOLUTELY FREE.

The Harvey face powder makes a woman's complexion smooth and velvety. The skin does not lose its youthful attractiveness: it seems to be impervious to exposure. The sun and wind have no terrors for the woman using Harvey's.

It prevents that oily, shiny appearance and counteracts the disagreeable effects of perspiration.

If this were merely an empty claim we could not afford to give you a full-sized sample package free. We know that once you have used Harvey's you will insist on having it always at hand.

To secure this free package all you have to do is to present the certificate to the Pioneer Drug Store which will handle all the Harvey toilet preparations.

REMEMBER this offer is good for three days only.

Very truly yours,

HARVEY FACE POWDER CO.

In this case an elaborate certificate was filled in with the lady's name, and emphasis was put on the time limit of the offer. Both of these things enhanced the importance of the sample, and practically all the coupons sent out were presented at the drug store for redemption.

SCHEME 2--THE OFFER TO REFUND

There are manufacturers who contend that the sample distribution is too expensive and that as good results can be obtained by emphasizing the satisfaction-guaranteed feature. And many have found that a letter will pull trial orders if the money-back-if-not-satisfactory offer looms up prominently enough.

A large coffee house found this method effective, but made the campaign more personal by mailing out letters on the dealer's stationery over his signature with a hard and fast guarantee to refund the money for every package that did not prove absolutely satisfactory:

"You will find any grade of coffee here you want; we carry all the well known brands. But just now we want to suggest your trying a package of Supero--a new brand that seems to us to have just the blending to make it popular with those who want the best.

"Of course you may not like it for tastes naturally differ. But so confident are we that Supero will please you that we will take back broken packages and refund the full purchase price, if you are not satisfied.

"We know some coffee will come back for there is nothing that will please everyone but we are convinced that ninety-five per cent of the trial users will be delighted with it. That is why we make this absolute guarantee of satisfaction.

"May we not include a package with your next order for groceries?"

The manufacturer of course has to back up the dealer in the refund without question, but it is assumed that no one makes such an offer unless he is reasonably sure that the product will carry satisfaction.

In these schemes the letter forms the keystone of the publicity campaign. It is the most formidable agency in opening up new territory, but it must be used with care to direct every letter to a likely customer and thereby avoid costly leakage. Create the demand and center the pioneer work on a single dealer--the demand will then force other dealers to put in the line if it is a staple that can be handled by different merchants.

SCHEME 3--PRIVATE DEMONSTRATIONS

There are products that cannot be advertised by samples or by a public demonstration, but this does not prevent manufacturers from doing effective work in bringing customers to the dealers.

The manufacturer of automobiles uses personal letters extensively to round up prospects and get them to call on the local dealer or representative. These letters bulge with "reason why" copy, showing how easy it is to maintain the car and how cheaply it can be operated. Here is part of a letter that points the way to the dealer:

"The Kingley is not an assembled car, the parts coming from all parts of the country. Every part except the magneto and the tires are made in our own plant or expressly for us.

"The raw materials and the finished parts are submitted to the most rigid tests and the most careful inspection. Nor are we satisfied with a floor test; every completed machine is thoroughly tested on the road.

"But it is hard to carry conviction by letter--go to Mr. Wallace, our local representative, and he will gladly give you a convincing demonstration. Or telephone Central 689 and he will call with the machine.

"We are glad of this opportunity of writing you but we don't sell machines by letter--the other fellow may be able to write just as good a letter but he can't show you such a reliable, durable, economical machine at this price."

The letter to the consumer must play up quality, merit and special advantages offered. The dealer sees only the selling feature, but the consumer must be reached from the angle of desirability for some specific reason. If you can show the dealer that your goods have "convertible" qualities there is little trouble in opening up new territory by letter. If the article has novel or distinguishing features they can be utilized in interesting the prospect; otherwise the sample, the free trial and the satisfaction-guaranteed arguments must be brought into service to interest the consumer and pull him into the store—all that a letter can be expected to do.

INTRODUCING The *Salesman* And BACKING HIM UP

PART XIII USING LETTERS ON THE DEALER TRADE CHAPTER 56

THERE WAS *a time—and not so very long ago—when a salesman was given a state map and told to go out and get the business. But today, the progressive house assists the salesman by a carefully planned LETTER CAMPAIGN. If it is a new house, it secures a list of prospects and introduces itself by mail, gives information about its goods and shows the dealer how he might profit by handling them. CONFIDENCE IS ESTABLISHED and the way paved for the salesman. After the prospect becomes a customer, letters between salesman's calls keep the name of the house and its product before him. At every stage, letters co-operate with the salesman—back him up and reinforce his personal efforts*

EVERY house selling through salesmen can use to advantage some form of cooperative service that will back up the men in the field, relieve them of many details and gather up the shag ends of business.

Whether the product is a specialty or a staple, whether sold direct to consumer or through dealers, the cooperative letters are of great assistance. Much of the preliminary work of introducing a product and educating prospects can be carried on by letter, paving the way for the salesman to enter at the proper time and close the sale.

Advertising plays an important part in introducing new products and preparing the field for the salesman but the letter

is the most valuable auxiliary, as it can be made applicable to the small jobber and the large manufacturer.

The educational work may extend over months and by using letters for this purpose the salesman can center all his efforts on a final canvass that will get the order. If the product is a staple the letter may be used to introduce new policies or methods and to stimulate the business in the less productive territories.

Effectiveness in auxiliary service can not be obtained without an organization in the correspondence department that will insure a discriminate handling of the letters. It must provide some system for securing accurate information about the conditions in the field; a reliable method of keeping in touch with the salesmen and a method of checking lists, mailings and replies.

A knowledge of conditions on the firing line is secured through salesmen's reports and letters from prospects. Most houses require their travelers to furnish data that will enable the correspondents to strike a personal note in their letters. Salesmen are also required to report changes in routes—which are followed by a map and tack system—so that new prospects can be turned over at any time or instructions sent out.

Keeping department records is comparatively easy. A card is filled out when an inquiry comes in and additional data is secured from salesmen's reports. Each card should be a history of the relations, showing sales or reasons for not buying and other information that will assist the correspondent.

One of the most important services of the cooperative letter is to locate possible buyers in order to avoid wasting time and money on persons who are not likely to develop into purchasers.

So the original letter must offer an inducement to the inquiry, so worded that it will not attract curiosity seekers. To get a line on those who may possibly need a cash register, one manufacturer says in his letter:

"Even though you may not need a cash register in your store at the present time, any suggestions that will stop leaks in your profits will be valuable to you. Just sign the enclosed return card and, without obligating yourself in any way, you can secure one of our booklets on 'Eliminating Errors in Handling the Cash,' which is packed full of intensely interesting schemes and plans used by live, progressive business men."

While the booklet gives some valuable information, it is in reality an educational document on the use of cash registers. The request for the booklet or other inducement offered, turns the indefinite name into a likely prospect and the inquiry is followed up with a selling proposition. This campaign aims merely to get an indication of interest so the house may know when to turn the prospect over to a salesman. But it goes further and creates confidence in house, proposition and goods.

This letter, however, should pave the way for the approach of the salesman. It must lead up to the personal factor in the sale with the letter campaign, and do this so as not to frighten away the prospective buyer.

In case the product is one that goes to the dealer, his confidence is gained by some assurance that the article will sell readily. The letter should impress upon the merchant that he takes no risk in stocking up on goods that are sure to bring back quick profits. So a manufacturer, seeking to make the sale to dealers easy for his salesman, writes:

"We don't expect you to take our word, absolutely--all we ask is an opportunity to prove the claims we make for these garments. We are so confident, however, that the goods will almost sell themselves, that it is possible to make you this unusual offer: you try the goods, and we agree to take back any unsold garments at the end of sixty days "

If the product is such that a sample can be sent, this is the strongest method of creating confidence in the goods. Thus the selling plan of a corset manufacturer is to send samples to prospective buyers as soon as any signs of interest is shown. And he seeks to gain their confidence by an "up-to-you" letter. A large wholesaler strikes straight at the dealer's interest by an appeal to his business judgment:

"Suppose you can't sell a big stock of these goods right off the bat; you will sell a few, and you may be sure of this fact; those who buy will come back again. And here is the point: In case you find that you can use a stock of our corsets, we will agree to advertise in your local papers and to circularize the women of your community with our literature. We will direct the trade to your store if you will take care of it."

To introduce the salesman to a prospective buyer requires considerable tact. It is not usually advisable for a letter of introduction to ask point blank for the privilege of sending a salesman to the prospect. Few men care to be bothered by salesmen unless they are decidedly interested in a proposition or unless a demonstration is necessary to satisfy them regarding some particular advantage in the product. Even when a demonstration is necessary, the prospect hesitates to ask a salesman to call for fear that he will feel obligated to buy. So the introductory letter must bring forward the salesman very diplomatically. One clothing house opens the path for its representative in this way:

"You have examined the samples we mailed you and probably tested them thoroughly by this time. But any tests you might give them would not be as satisfactory to you as a few minutes' talk with our salesman--or possibly his personal demonstration. So when Mr. Jones visits your town next week we will have him call on you and talk over the proposition."

The prospect may reply that he will see the salesman on the understanding that he does not agree to place an order; more likely he will not answer at all. In any event, the salesman is notified that the prospect is "open." For convenience and economy, a form post card is frequently used giving the prospect's name and address, together with any special information that the salesman should know.

So by this cooperative service, the salesman's hardest work--the education of the prospect to the buying point and the approach to the order--is made easier. The goods are known, the proposition has been made clear and the prospect expects a personal call. Then if he lands the order the notification card is usually returned with the word "sold" marked across its face, together with the order. If he fails to close the sale he writes the house the facts which will indicate just what treatment the prospect should receive from later letters.

For convenience in handling these reports, one manufacturer supplies salesmen with form cards, on which he notes any information which may be useful to the house in a later follow-up. Then this card is placed in an index labeled "Special Educational Letters" or, "Prospects Seen and Not Closed." Since the sales

man may be called back to complete the sale, copies of these letters, whether educational or merely reminders, are sent to him.

Often after the personal call, the arguments used on the prospect by letter will be more effective if sent out over the salesman's signature. The touch of individuality adds effectiveness. Many firms even send such mailings out on the salesman's personal letter paper. Others make up the letters and send them to the salesman for mailing. The careless use of such letters is checked by requiring the salesman to pay the postage and his extra expense may be covered by an additional commission on sales.

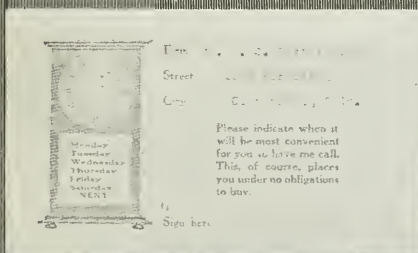
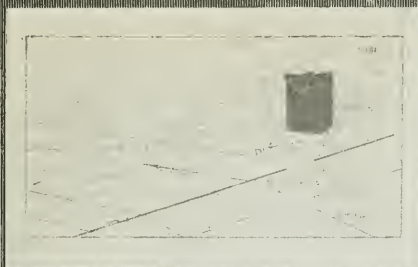
DATE <u>7/26/10</u>	
GENTLEMEN,	
WE WOULD BE PLEASED TO HAVE A REPRESENTATIVE CALL	
ON OUR MA	<u>Harman</u>
DATE	<u>July 29th</u>
PREFERABLY AT <u>11:00</u> O'CLOCK, AND EXPLAIN THE CHALLENGE AND	
SHOW US SAMPLES OF THE WORK DONE ON THIS MACHINE	
NAME	<u>Edward J. Harman & Co.</u>
STREET	<u>1428 E 9th St.</u>
CITY	<u>Cleveland, Ohio</u>

A double post card sent to the prospect with a request that he name a date on the attached card when a representative may call. This is often an effective method of insuring a hearing for the salesman

In many cases the refusal of the prospect to order is but temporary. His "no" merely indicates that he fails to appreciate its particular value to him, or possibly some business condition temporarily makes it impractical for him to order.

So with the salesmen's "visit report card" the house indicates the course to be followed. It may be necessary to follow up the prospect with another series of educational letters, or merely keep the prospect in touch with the proposition, until he is in position to handle the goods.

Then when the salesman has been called back to the prospect and has secured the signature on the order blank, the



Every business man can use post cards; three different uses are shown above. The first, containing a map, gives emphasis to the favorable location of a hotel; the second is a colored advertising card containing at the side the name and address of the local dealer; the third is a novel return post card on which a business man may readily indicate the most convenient time for the salesman to call



Colored cards and mailing folders are now a factor in business. At the top are shown part of a series mailed in a sales campaign for a new brand of tobacco. The cards are folded twice and a one cent stamp is used as a seal to hold the fold together. Three lower views are colored cards illustrating products that are widely advertised; the fourth card is one of a series sent out by a bank to advertise its savings department

house cooperative letters must put the buyer into the "right mood" before the goods are received. Whether the product is a specialty or a staple, it is an asset to have the good will of purchasers. The prompt acknowledgment of orders and care in shipping go a long way towards creating this spirit.

One manufacturer follows the shipment notices a step farther and secures names of prospects from the buyer. "Aren't there one or two of your business friends who are in the market for our product?" he asks in his letter. As an inducement he offers small commissions on any sales made to prospects whose names are furnished in this way.

Then an approach can be made under specially favorable conditions. A letter is doubly effective if it opens with some such approach as this: "Your friend, Mr. Blank, suggested that you would soon be in the market for our goods," or, "When we left one of our machines at Mr. Brown's store last week, he suggested that you might be interested in our proposition."

Or, in case the prospect is hard to convince, the house has the additional backing of the buyer. For example, one manufacturer of gas engines uses the influence of purchasers in this way: "Why not talk with Mr. Blank and see what he thinks of our engine and its efficiency?"

If the buyer has indicated a willingness to cooperate in future sales, the effectiveness of an argument of this kind in letters that precede the call of the salesman, is obvious:

"Take a leisure moment and go over to Mr. Blank's place where we last week installed a Radiating System. Ask a man who has used our heating system and you will readily learn of its practical advantages. See our Radiating System in practical operation and then remember that we back it up by our binding guarantee of satisfaction."

But if the first order is sent to the dealer on a guarantee, then house cooperative letters not only emphasize the high quality of the goods but suggest ways of moving them from the dealer's shelves, and they impress the buyer with the desire of the house to aid him, incidentally keeping his mind focused on future orders.

A wholesale grocery follows up the trial order with a letter designed to aid the dealer in turning the goods.

for it realizes how easily the dealer can swing sales for his product. Here are the opening paragraphs:

"Just stop to consider and you will remember that fully one-third of your sales on any articles come through some reminder to your customers that they need the goods. Then think how important it is that you display goods where your customers will see them and be reminded.

"Can't you arrange them attractively on your shelves? Or perhaps arrange a window display? Either plan is bound to help you in turning out the goods. Our specialty man, Mr. Blank, will be able to give you some valuable suggestions. He will visit you again during the next two weeks, probably about the 12th of the month. Talk the matter over with him then "

Another purpose is often served by the house cooperative letter in helping the salesman to push a new brand of goods. A letter that shows the dealer a possible loss in profits or in customers by not handling the new brand, is usually helpful in bringing him into line. One wholesaler sends out a letter of this kind in advance of the salesman's call:

Dear Sir:

Have you figured out what it costs you not to handle our new Government Seal Lard?

It is costing you--each day--the time and the labor of, say, one hundred diggings out of the tub--one hundred weighings--one hundred wrappings, and one hundred tieings.

Then it is costing you the value of endless overweight.

It is costing you--and this is the biggest item--oustom that you might have, but are now losing, of people who want their food for family use safeguarded against dust and unsanitary handling--the people who make the best customers and are most worth pleasing. Our new Government Seal Lard comes in air-tight pails.

Set these figures over against the difference in price of Government Seal and ordinary lard and you will understand why Government Seal costs less than any lard you buy in bulk. Talk to Mr. Brown when he calls--he will show you some interesting figures on this matter.

Very truly yours,

Smith and Jones

ONE FORM OF SALESMAN'S REPORT CARD

69

NO. 1

LETTER CO-OPERATION DEPARTMENT

MR. M. R. Mason Feb. 10 1918

WE ARE SENDING YOU, ATTACHED HERETO, INQUIRY FROM, AND CARBON COPY OF OUR REPLY TO

NAME The John B. Stewart Company

CITY Indianapolis STATE Indiana

STREET AND NO. 412 Green St.

KINDLY RETURN THIS CARD TO US WITH YOUR REPORT ON THE BACK AND OBLIGE

NAME F. J. Muse DATE 6/30/18

ADD 803 18th St TOWN Kansas City STATE Mo.

BUSINESS W. P. and W. H. W.

SEE MR. Muse FINAL AUTHORITY Same

WHOLESALE, RETAIL, RESIDENCE DISTRICT — MAIN OR SIDE STREET — LARGE, MEDIUM, SMALL BUSINESS — CATERING TO HIGH CLASS, MEDIUM, CHEAP TRADE

IS HE SATISFIED ☒ YES — NO ☐ — WHY DON'T HE ORDER? PRICE Space

WHEN, DO YOU THINK HE COULD BE SOLD? Left WHAT TERMS? Cash WHAT PROPOSITION

DID YOU MAKE HIM? 18 W. Prod M. F. 18-3'x7' WINGS

PRICE 146.00 TERMS 2% LITERATURE LEFT Folder

SHOULD HE BE FOLLOWED CLOSELY? Yes - very REPORTED BY B.T.

REMARKS: Very much interested. Is talking of some large contract which will need all spare cash for the present. Heard him speaking of one of these over the phone. Wants along lines of making up order to be shipped about Sept 15 - payable 6% after bank issues

Front and reverse sides of notification card. A card of this kind is sometimes used by the correspondence cooperative department to notify the salesman on the road when a prospect is educated up to the point where a personal call will close the sale. After the call the salesman returns the card. It is marked with the single word "Sold" across the face if it accompanies an order; otherwise, a report for the assistance of the letter department is made, as indicated at the bottom of the card

After the dealer has received a letter of this kind, the salesman, following a few days later, finds him in a more receptive mood. The letter started him thinking and the sale was half completed. So the cooperative letters, besides handling prospective customers up to the point of the sale, turning consumer-buyers into assistants to the salesman, and insuring satisfaction to the dealer's trial-order, may also aid the representative in his regular customer calls.

» There is still another important function of this cooperative service—assisting in the disposal of the inevitable “left-overs.” The small dealer usually depends upon these odds and ends from the manufacturer to furnish the material for his retail store “leaders” and the salesman is usually too intent upon selling his regular stock to devote valuable time to “left-overs” and “cut-price” goods.

So house-letters take this work off the shoulders of the salesman. They announce the fact that such goods are ready for disposal, quote the prices, do all the educational work and frequently land the order. Or, if they do not actually secure the order, they have “worked up the sale” so that it is little more than formality for the salesman to pick it up—leaving him free to devote his time to the more important lines.

The field for house cooperative letters, considering the many angles from which they may be applied, are a vitally important factor to the salesman in the field. When you consider that the average salesman, either because of limited time or the small margin on these goods, must neglect them altogether, or, at the best, handle them in an unsatisfactory manner, the pressing need of cooperative letters becomes apparent. As auxiliary sales-producers, they have proved their value in almost every line of business—they are one of the most convenient and profitable forces in trade building.

Keeping In Touch With The DEALER By Mail

PART XIII USING LETTERS ON THE DEALER TRADE CHAPTER 57

ONE OF the hard problems of the wholesaler, manufacturer and jobber is to MAINTAIN A POINT OF CONTACT with the distant dealer. The loyal salesman is a good medium, but such a medium lacks permanency. The house that seeks to hold the dealer with stronger bonds, reinforces the work of salesmen by letters between calls. How such letters can be made to DEVELOP GOOD WILL and keep a current of mutual interest circulating between the house and the dealer is here described

ONE of the large manufacturers of shoes, not long ago, found the business in certain sections steadily falling off. Some of the heaviest buyers were cutting down their orders; several accounts were closed.

The trouble could not be with the shoes, for the same rigid standard was maintained. The loss of business was evidently due to changes in the sales department. One veteran salesman had died, a second had retired, a third had resigned to go with another concern, and there had been a general shifting of territories to the great detriment of the business.

The company had always paid big salaries and hired good salesmen, depending upon them to bring in the business. Evidently it had been a mistake to depend so entirely on salaried representatives. No effort had ever been made to bring the dealers into personal touch with the house. Customers were loyal to salesmen rather than to the company; the salesmen carried the trade—not the house.

The necessity of adopting a new policy was apparent. Letters were sent out over the president's signature, asking the dealers about local conditions, what the prospects were for trade, what ways they could suggest for pushing their business. The letter went on to outline an extensive advertising plans asking the dealer's advice regarding it and urging him to make suggestions as to changes in the proposed campaign.

The letter was an intimate man-to-man talk based on the mutual interests of manufacturer and retailer and emphasized the desirability of getting together to try out some new trade-winning schemes. Not a word was said about sales; no reference was made to the falling off in orders; the letter aimed to establish a point of contact between the house and the dealer—nothing more. The merchants replied, almost to a man. Where specific suggestions were made, the house planned a special advertising campaign. Space was taken in the local papers, the house preparing "copy" and paying half the cost; window-trims were suggested and special sale schemes worked out.

Within six months the company had not only gained the ground it had lost, but new records were being made. Distant dealers began to look on the company as something more than a factory; it gradually acquired a personality; it took a warm interest in the problems of the retailer and offered help, not in a perfunctory sort of way, but as if it were a pleasure to cooperate with the distributors. The salesman was not ignored; the aim was to develop a spirit of team work—to convince the salesman and the dealer that the best scores could be made by working together—cooperating—playing the "inside game."

In two years the business was doubled. The increase in sales was attributed to the new attitude—keeping in touch with the dealers by letters, following them up between the calls of the salesmen, maintaining a point of contact at all times.

Such a relationship is the most effective barrier against competition and makes the dealer feel that a house has an interest in him beyond the filling of the next order.

Progressive manufacturers and wholesalers are learning that mutual good will and a spirit of cooperation are vital factors in trade-building and dividend-paying, and the letter is the natural medium for keeping the house in close touch with customers.

The letter serves more than one good end; it promotes closer relations; it keeps the house and its line before the dealer;

it guards against the vest-pocket rule of salesmen; it holds trade for salesmen and gets advice on policies, methods and plans.

The effectiveness of the letters sent out by a house depends largely upon an accurate knowledge of the customer and conditions in his territory. Nothing deflects a customer's interest more quickly than a letter betraying ignorance of past transactions or his relations with the house. Just as truly, the subtle flattery of a letter showing an intimate knowledge of a customer and manifesting a genuine interest in his welfare tightens the bonds that hold him to the house.

The letters need not be individual in all cases. Announcements of changes in prices, the addition of new lines, and general trade news is sent to all the customers, but the clever correspondent tries to get away from stilted formality, making the recipient feel that he is one whom the house never loses sight of when it has information that may be of interest. The form letter may be used, also, in educational work, pointing out the advantages of certain goods, and suggesting trade-getting schemes. A wholesale paper-house writes to all its customers at least once a month, calling attention to some line of paper which is especially adapted for a certain line of work:

Dear Sir:

The next man who comes in and wants some stationery that is a little out of the ordinary, a little better than the other fellow's, show him the enclosed samples of Quaker Bond.

We don't claim this is the best bond made; we do claim you can't equal it at the price. Then, too, the new Vellum finish gives a tone of quality that will give distinction to a letter-head or envelope. We enclose samples of white, opaline, azure and russet. Envelopes are carried in stock in these colors in 6 $\frac{1}{2}$ and Baronial sizes

Many printers are using Quaker Bond for their own stationery and they find it most effective advertising. Let us know what you think of it.

Very sincerely yours,

THE CENTRAL PAPER CO.

By *M. Q. Williams*

Mgr. Country Dept.

MOW/LK

Such a letter is primarily a form of advertising, yet it is certain to be read, for the artistically printed samples give valuable suggestions.

— Another house sends out every month a bulletin of special bargains—broken lines, job lots and odd sizes on which special prices are quoted. This bulletin not only enables the house to get rid of its accumulation of odds and ends, but it carries with it a letter, calling attention to these special prices to the “regular customers,” affording them the same opportunities for “close buying” as if they were in the city.

If a letter serves no other purpose, it is worth its cost in keeping the name of the house and its goods before the trade. A coffee house in Chicago attributes its great success largely to the way it recognizes orders. Even the smallest order calls forth a letter thanking the sender for remembering the house:

“Your business is important to us; we are just as glad of this order as if it were from our largest city customer for it shows that you like our coffee and find our service satisfactory. A dozen small orders mean more to us than one large order for they mean that twelve dealers are creating a demand for our brands, a demand that will increase. This means that your business will grow and then our business will grow.”

Such a message puts the small dealer in the right attitude; makes him feel that his orders are really appreciated.

Another concern keeps its name and goods before customers by testimonial letters sent out at regular intervals:

“O. L. Mason at Central City put in the Union line last May; every month since then his orders have been larger.”

- - -

“Smith & Smith of Cedar Creek added the Union line a year ago. Last week they wrote us: ‘Our sales on canned goods have more than doubled since we began handling your products.’”

- - -

“The Fifth Avenue Grocer at Wilson Harbor writes: ‘Union canned goods sell themselves. Send us enclosed order at once. Thought we had enough to last us until your man Butler got around next month, but our stock is already running low.’”

These letters contain a little folder describing the Union goods, but that is all. Not a word is written about buying; but the letters keep the line before the dealers, and by showing what other merchants are doing they make it easier for the salesmen to close an order.

The aim of the successful correspondent is to seize upon every opportunity to write to the customer and show an interest in his business. Getting orders is a secondary consideration.

	JAN	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT	OCT	NOV	DEC.
NAME	ADCDFCHIJKL											
ADDRESS	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31											
AGE	LOCATION NO.											SIDE
PROSPECT	BETWEEN						AND					
INTERESTED	OWNER						ADDRESS					
REMARKS	TENANT						CONNECTED					
	BUSINESS IF COMMERCIAL						DOMESTIC					
	USING FOR LIGHT						STYLE OF FIXTURES					
DATE	WIRED						PIPED					
MATERIAL	IS USING ELECTRICITY FOR (BESIDE LIGHTING)											
DATE	COULD USE ELECTRICITY FOR											
MATERIAL	REMARKS											
	DATE OF THIS REPORT											

Specimen cards used for mailing lists. The upper card is filled out by a salesman and sent in to the house for filing. The lower card gives the data required by an electric lighting company, and enables the correspondent to send out letters and advertising matter aimed directly at the needs of each prospect. The small signal at the top of the card shows the date for sending out the next follow-up

First of all, get in close touch, establish a point of contact and the orders will take care of themselves.

Soliciting business may, however, be the very best method in which to show a genuine interest in the dealer, as, when the wholesaler advises him of an advance in prices at a certain time and suggests that orders be placed before that date.

Where the house keeps in touch with the dealer in this way there is little danger of the salesman's getting such a hold on the

trade that it is his to carry to a rival firm if he so desires. The cost of the letters that establish and maintain this point of contact may be charged up to insurance on future business.

If a complaint comes in it may be turned over to the salesman to adjust. At the same time, letters to the customer make it plain that the salesman is acting under instructions from the house and is merely carrying out the policy of the house in settling the claim. If a large order is given a salesman the house writes and thanks the customer—definitely the impression is carried that the order was not given to the salesman, but to the house *through* the salesman.

The attitude is taken that salesmen are not sent out to *get* business and to stock up the dealer, but rather to assist the dealer in selecting lines best suited for his trade, making it easier for him to place his orders.

This does not mean that the salesman is restricted in his work—it merely applies to the attitude towards the dealer. In fact, there is no greater function of the house-letter than to prepare the dealers for the salesman's coming and persuade them to hold their orders for him. Letters between calls supplement the canvass of the salesman, bring out new features and give the retailer opportunity to consider a proposition more fully. This is most necessary in introducing a new line and in educating the trade to better grades. This letter was sent to awaken an interest in advance of the salesman's call:

Dear Sir:

You have been dealing in building materials long enough to know what the roofing problems are to architects and contractors.

Shingles, tiling, patent roofings--doubtless you have handled them all. This is all the more reason why you will be interested in the sample of Resisto concrete roofing that we are sending you.

Here is a concrete shingle that is light enough in weight to be practical yet strong enough to defy sun, rain and wind. Concrete is the only material that improves by exposure to the weather; the only material that is absolutely indestructible by fire.

Resisto shingles need no repairs, no painting. The first cost is the only cost.

Our Mr. Bates will be in Kelsey next week to tell you more about the Resisto and to talk to any builders whom you think might be interested. Meanwhile, we suggest that you soak this sample Resisto in a pail of water, put it in the fire and subject it to any other test you can think of just to convince yourself of its indestructibility. Then we'd be glad to have you tell us what you think of it and get expressions from the contractors.

Very truly,

WLK/TR.

THE RESISTO SHINGLE MFG. CO.

Here is a letter that brings the dealer and the wholesaler together on common ground, at the same time paving the way for the salesman. In this particular case few sales were made the first trip because the product was so new that dealers were slow to tie up any money in it, but the salesman reported fully to the house just what objections each dealer made, what excuses he offered for not buying, and these specific reports enabled the correspondence department to carry on a regular course of instruction by mail, and by the time the second trip was made the majority of the dealers placed orders.

Many houses urge their customers to send rush orders direct instead of waiting for the salesman, and as the salesmen are given credit for such sales, they encourage it. In this way the dealer gets in the habit of placing at least a portion of his business direct, and this naturally brings him a little closer to his source of supplies.

There is no surer way to get a man interested in your house and your policies and your goods than to ask him for his opinion about them and ask for advice about improving your service. It is human nature to feel flattered when our advice is asked and the correspondent approaches 100 per cent efficiency who makes a distant customer feel that his views are of enough importance to the house to be considered in determining its future policies.

The house must maintain a point of contact with its customers and the letter performs this service easily and economically. It not only guards against the "vest-pocket" rule of salesmen, but it has a constructive function as well in creating a spirit of actual cooperation, giving the house the benefit of customers' ideas and suggestions—it becomes a magnet in drawing future orders.

Cooperating With the *Dealer* In CAMPAIGN ON CONSUMERS

PART XIII USING LETTERS ON THE DEALER TRADE CHAPTER 58

THE MANUFACTURER *who is satisfied when he makes a sale to the retailer is not getting the most out of his field. By INTENSIVE CULTIVATION his sales can be multiplied many-fold—by cooperating with the dealer in the development of the retail trade, for re-orders will not come in until the merchant disposes of his stock. Getting the dealer enthused over your goods is the first thing that can be done by letter; then he can be coached in methods of pushing sales by bringing more people to his store and CREATING A DESIRE for this particular product or brand. This chapter takes up specific ways of interesting the dealer and his clerks and getting their cooperation by showing how it is to their advantage to push the sales*

MARKETING goods through dealers does not end with the filling of orders. The manufacturer or wholesaler who stops there, depending upon the dealer to turn over the goods without any selling assistance, is likely to find, at the close of the season, that his sales have been discouragingly small.

As a distributor, a dealer is likely to hand a product over the counter when customers ask for it—and no faster. He sells goods for the profit and if the profit on some article or brand is large, he may use special means of pushing the sales; he may advertise the goods, or call attention to them by attractive

store and window displays. If the profit is slightly less than on a similar product, and the demand is not specific, he is naturally prompted to keep it in the background and to push the brand that gives him better returns.

It is obviously an advantage, therefore, to watch the sale of your product after the dealer's order has been filled and the goods are on his shelves. If the goods move slowly, and the dealer is inclined to let them "sell themselves," the manufacturer cannot afford to stand idly by and let them grow stale under the counter. Yet such a condition offers a big opportunity to step into the selling field and create a demand, and to show the dealer that your product is a profitable line to handle. It offers you an opening to show your interest beyond the sale.

The average dealer needs a cooperative spur. He may be indifferent; likely he would not know the best way to speed up sales on a particular commodity, even if he wanted to.

While the amount of goods he can handle depends largely upon the size of the community and the character of his trade, an educational campaign on the quality or adaptability of your goods will create additional interest from consumers and the selling limit can be raised to a gratifying figure.

You might advertise through magazines, newspapers, or other mediums; you might arrange attractive displays for the dealer, or send a sales-force into his territory to talk your goods and send more buyers to his store. These methods are in successful use, but more practical by far is the plan of writing letters to customers whose names the dealer furnishes, or sending letters, catalogues and circulars to consumers generally in the retailer's territory—securing the names in the usual "list gathering" methods.

A letter campaign is usually the least expensive plan of reaching the consumers, and it is adaptable to any line. There are three different channels through which this advertising may reach consumers:

It may be mailed direct from the house, backing up the offer of goods with manufacturer's or wholesaler's guarantee.

The letters and circulars may be sent direct from the house; although written on the dealer's stationery, over his signature.

The advertising may be sent out by the dealer direct; the house supplying him with all the "literature" necessary for the campaign, prepared on his personal stationery.

To begin with, you must be sure that the dealer will do his part, but it is usually easy to secure his interest for he has nothing to lose and everything to gain.

The greater the dealer's interest, the greater will be the success of the campaign. Even though the letters fail to bring big results, the active interest of the dealer, and his redoubled efforts to push the goods, will sell them. It lies in the dealer's power very largely to decide what goods shall be pushed and if he has the confidence of his customers he can almost always substitute for an advertised or trade-marked line if he wants to—this is especially true in food products, where the buyer depends almost entirely upon the word of the grocer as to the best quality in goods. If the dealer's cooperation can be secured, the success of the campaign is assured, so the aim of a letter campaign is not alone to increase the consumers' interest, but to stimulate the dealer's activity in selling your goods.

In the letter campaign, it is not necessary to introduce salesmanship but merely to create desire—the dealer can be depended upon to make the sale after you get the interested prospect into his store. Impress upon the prospect that he is not expected to buy; that you merely want to acquaint him with your goods so that when he is in the market he will know more about qualities and values. Here is the letter from a clothing manufacturer:

"Have you ever worn a custom tailored suit--do you know that it can be made to drape and fit exactly as though it were cut and fitted by your local tailor?

"John Black has a complete line of samples--and he is wearing one of our suits. Stop in at his place and see what you think of it. You needn't order--you may not be ready to buy. That isn't the point. All we want you to do is to examine these goods, see the kind of fit we can give you and learn how much good, hard cash we can save you."

And to make it as easy as possible for him to visit the local dealer, give specific directions:

"Mr. Blank is our representative--you know where he is, just two doors west of the post office on First street. He has a machine in operation and will take pleasure in showing it to you even though you are not in the market just at this time."

It is an effective scheme to offer him some special inducement to visit your dealer. This is how one wholesaler did it:

"The first one hundred persons buying fifty cents worth of the Wilson silks will be given a pretty embroidery pattern free. These are handsome patterns and you had better make it a point to go into Brown's store this afternoon and see if you don't want one--FREE."

And in the same letter that you direct the prospective buyer to the dealer's store, you brand the distinguishing feature of your product on his mind by using phrases of this kind:

"Our garments are shrunk one hundred per cent. We guarantee it."

- - -

"This pen will not leak--cannot leak. Couldn't get your fingers soiled if you tried to. Come in and we will prove it to you."

"This is made of aluminum and cannot be broken, making it more serviceable than any other attachment of the kind on the market."

Then when the prospective buyer goes to the store, he will ask to see that particular product and no other.

The manufacturer-consumer letter, to be effective, should go further, and take up the salient points that make the article desirable or adaptable to the user's needs. It must point out to him the reasons why it is adapted to his wants by embodying the interest-creating features of the good sales-letter, although leading up to a "call" instead of a "sale."

A wholesale baker used letters effectively on names furnished by the retailers. Here is the first letter in a campaign:

Dear Madam:

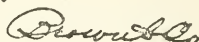
Years ago, when your great-great-grandmother knitted the children's hosiery, made all the shirts, nearly all the clothing and many of the household necessities, she did it because there was no other way to get them. You don't do it today for the reason that you can buy a better "ready-to-wear" article cheaper than you can make it.

The same holds true with bread. Our grandmothers were famous bread makers--prize winners. But they worked hard and had few of the comforts of today. Now, science, skill, machinery and pure food laws, together with expert workmen and high grade flour, have produced wonders in bread making. They have made it possible for you to buy bread cheaper than you can make it. You can save your strength, your time--and money.

Brown & Co. brands--Perfection, Butternut Pioneer and Special--are the appetizing results of long and progressive bread making, the cleanest of workrooms, the latest machinery, large automatic ovens and equipment that allows the lowest cost in the making, and consequently the lowest cost to you.

If you buy bread, instead of making it, you want only the best--it costs no more than the other kinds. A trial will convince you that ours is the best. Call up the Fourth Avenue Grocery, which sells our brands, and have some delivered--do it when you order your groceries tomorrow.

Very truly yours,



If the dealer reminds Mrs. Smith, when ordering sugar and potatoes of Blank & Co.'s breads, and suggests sending a few loaves, the sales are bound to increase rapidly. Here is where there should be good team work between the wholesaler and the dealer; cooperation should be active and consistent.

On some lines, such as specialties or new products, the proposition is not so simple, for the educational work takes much longer. The letter, in such cases, should have four specific purposes: picking up prospects, educating them, creating a desire to possess the article or goods, and turning the prospects over to the dealer to "close."

If the list is a selected one, such as inquiries secured through magazine advertising, these purposes are more readily accomplished as the prospect is already interested to a degree. But the aim is always the same: stimulate the interest and get the prospect into the store.

Even where the letter has created a desire for the goods its force may be wasted unless it impresses the name of the dealer upon the mind of the reader. Make the name stand out prominently near the close of the letter. Some houses accomplish this by a sentence of this kind: "Mr. Jones, 212 Main Street, handles our line—you can easily reach him and he will be

glad to tell you further details and show you the goods." Or, for simplicity, they merely write the dealer's name and street address at the bottom of the page. Others have clever schemes by which to impress the name of the dealer and his address upon the minds of the inquirers. For example, a clothing manufacturer encloses with his letter an attractively engraved card, which reads: "This will introduce you to our dealer in your city, who will be very glad to show you our latest line of exclusive fashion ideas. Should you decide to order any clothes through him, you can rest assured that your order will receive our most painstaking attention." At the top of this card is a space where the inquirer's name is filled in and another space, surrounded by a heavy border, where the dealer's name and address is typewritten so it stands out conspicuously.

If the dealer is well known in his locality and has considerable prestige, letters sent out over his signature and on his personal stationery are sure to give more confidence to buyers. It accomplishes all the purposes of the manufacturer's letter, and is usually more effective, because the retailer is known personally to the recipient. So the house writes the letter from the dealer's attitude, adding here and there a touch of local color. Then the mailing is sent out direct from the house or turned over to the dealer, so that the letters may have a local postmark.

Take the grocer, for example. A personal letter from him to consumers in his locality, whether to his customers or those of his competitor, always carries weight. Here is a letter from a manufacturer that is written at the house but bearing all the earmarks of a personal letter from the dealer. It aims to get the buyer to the dealer's store by two distinct methods—the special advantages of the goods and by the assurance that they can only be obtained from the one grocer in that locality:

Dear Madam:

There is no need of your boiling, broiling, baking and stewing in an overheated kitchen if you have EVER-READY meats in your pantry. They need no cooking and are always ready to serve, hot or cold, in a hundred appetizing ways.

EVER-READY meats could not be more savory or delicious if prepared in your own kitchen. The government inspection makes you sure of their purity. Every week an increasing number

of customers are using these prepared meats, for they are convenient: they are always ready to serve, they are unexcelled in quality.

Do not take our word for it. Try them and see. One trial will show you why your neighbors are so enthusiastic over EVER-READY meats. This store alone handles this brand and I hope the next time you are in this vicinity you will drop in and sample some of them and take home a can.

Very truly yours,

D. L. Lawrence

A letter of this kind—the dealer's personal letter—may be used advantageously to couple up with the manufacturer's answer to an inquiry, the manufacturer sending out both letters; the dealer's personal letter going out a few days after his own. The prospect gets the impression that his inquiry has received double attention. Often to gain an approach for the dealer's personal letter, a direct reference is made to the inquiry:

Dear Sir:

Brown & Company have written us about your inquiry and, though you have probably received a catalogue and other descriptive matter direct from them, we want to invite you to call at our store where you can see the Wellington machine in actual operation. It will be a pleasure to talk with you personally and explain any of the features that may not be perfectly clear to you.

Very respectfully,

Wallace C. Lee

In case these dealer's personal letters are sent out from the local territory, the dealer must have a list of the inquirers so he can couple up the two letters. One manufacturer uses a simple device for accomplishing this. The dealer is first supplied with coupling-up letters, then with the manufacturer's reply to an inquiry, is sent a slip bearing the name and address of the local dealer. At the top is the name of the inquirer. These slips are duplicated to the dealer, who mails the coupling-up letters to the addresses given on the inquirers' cards.

Since all letters mailed by the manufacturer are more effective if sent to a selected list, the dealer is at all times encouraged to send in names of his customers, names of his competitor's customers, or names of special prospects.

One manufacturer asks the dealer to send him any local lists of buyers obtainable, such as telephone or city directories or association memberships. A baking powder house supplies the dealers with books of cooking receipts which the dealer gives out to persons who call at his store, and leave their names and addresses. These are then sent in to the manufacturer.

One manufacturer of stoves secures from the dealer the names of all persons who are known to be in the market. Then a letter is sent out from the house to the prospect, taking up the arguments in favor of this particular stove:

Dear Sir:

Before you purchase that new range you should take time to investigate the merits of the Opal stoves.

The true test of any stove is in its use. When new, one stove looks a good deal like another, and it is only by actual service that the real value is shown. Our claim for merit in the Opal range is warranted by the years of satisfactory service it has given to thousands of users. Only the highest grade of materials and the most skilled workmen are employed in its construction. All steel is extra quality, highly polished and requires no blacking. All cast parts are made of the highest grade cast iron obtainable. The fire boxes are made large and roomy and are correctly proportioned to hold fire for a long time. The ovens are full size, made square, and will bake quicker, more evenly and with less fuel than the ovens in other stoves.

But we cannot tell you even briefly all the good points about the Opal, so we want you to call at Samuel Smith's store at 428 Center avenue, look the Opal over carefully and see it taken apart so you will understand the reasons that have prompted thousands of householders to buy the Opal in preference to all other ranges.

Very truly yours,

OPAL STOVE MANUFACTURING CO.

By *Edward Brown*

Mgr. of Sales.

Another manufacturer gets out letters for his dealers whenever they visit the house to purchase goods. These letters are often personal communications from the dealer to his customers, calling attention to new styles and samples he secured during his visit to the city. They are sent out from the house over the dealer's signature and are made up in some such form as this:

Dear Sir:

Can't you call around at our store in a few days and look over the new patterns in browns and fancy blues that I have been selecting here in the city? I honestly believe this is the finest line of goods I have ever seen and I know you will be enthusiastic over some of them.

I am taking a few of the best patterns back with me and will be mighty glad to have you drop in some afternoon and look them over before they are placed on sale.

Very truly yours,

W. O. Williams

A short, friendly note of this kind carries great weight. It is unusually effective where relations between the dealer and the customer permit the tone of intimacy.

A tobacco manufacturer, wishing to direct a campaign of letters, booklets, printed matter and samples for the dealer, decided, for more effectiveness, to secure a select list first. To secure this list, a prize guessing-contest was conducted in each town. An attractive window-display was made in the dealer's store, appealing to all classes of smokers. The only requirement for entering the contest was for the smoker to leave his name and address in a book. After the contest was over and the books had been returned to the manufacturer, the campaign was directed at the smokers whose names they had secured.

A large wholesaler adds to his letter campaign to the dealer's customers and prospects, a letter to the dealer's salesmen. The first step in the campaign for dealer-sales is to educate the dealer to cooperate with him; the second is to induce him to send in the names of possible prospects and also the names of his clerks. During the campaign on consumers

letters are mailed periodically to the clerks to secure their active interest. Here is an effective letter to clerks:

Dear Sir:

Your word usually makes the sale to the average customer--we appreciate this fact. We also appreciate how often you are called upon to recommend good brands, especially of canned goods. If you recommend the best, your customers will be pleased--they will come back again and again--you will be establishing a trade that will make your position stronger--your value to the house greater.

We are writing to impress upon you the fact that there is little danger of your "making it too strong" when talking about the Lunar products. We raise our own vegetables and pack them the day they are picked; our plant is the largest and most complete in the country; our system of inspection is most rigid--every facility that money can buy, every precaution that science has proved, and an organization that has made this establishment known throughout the country--the result is a line of canned goods that is not excelled in quality; a line that you can guarantee absolutely. Recommend them for a week or two to your customers and then watch them come back for more orders.

Very truly yours,

D. C. L./R. H.

THE LUNAR COMPANY.

In this way this manufacturer not only educates prospects and customers and keeps them trading at the dealer's store, but he also insures proper treatment when they call, by educational work with the clerks. For the cooperation of the clerks is nearly as important as the cooperation of the dealer.

So when you open the letter-campaign that aims to move your product from the dealer's shelves, first show the dealer that you are working for his interests; secure both his cooperation and that of his clerks and then go to the user of the goods to develop interest and create a demand for your product.

Wielding the "BIG STICK" in *Letters to Salesmen*

PART XIII USING LETTERS ON THE DEALER TRADE CHAPTER 59

WHEN your salesman is sitting opposite you in your office, it is easy enough to inspire him to greater effort—to put "ginger" into him—by the sound of your voice, the glance of your eye, the slap on the back or the emphatic thump on the desk. But to impress your personality upon him when he is on the road, perhaps buried in a third or fourth class town and needs your encouragement most, is a problem that resolves itself to the PERSONAL LETTER. Herein are extracts from some sales managers' correspondence with their salesmen—methods for keeping up the fighting spirit of the men in the field

THE sales manager who looks for big results appreciates the necessity of keeping in close touch with his sales force, no matter how widely it is scattered. To maintain a point of contact that will carry a current of enthusiasm and galvanize the discouraged representative, a three-fold ability is required:

You must be able to put yourself in the salesman's clothes, understand his personality and see the selling problems through his eyes.

You must be able to show him *your* position; put him at your desk and make him understand "the why" of house policies.

You must know the territory in which the salesman works, understand the local conditions and the class of customers he reaches. Such knowledge is essential to an understanding of the

field problems and without this understanding the sales manager cannot give real help or inject much enthusiasm

The salesman is the human factor—the connecting link between house and customer. His treatment of customers should reflect the character and policy of the house. His attitude should create the same degree of confidence that you, as sales manager, would create were you able to handle each customer in person. This is the ideal to hold up before the sales force.

You aim to educate the salesman to the importance and responsibility of his position, to direct his efforts into productive channels and to keep him interested and working at top notch efficiency. Except for occasional conventions or meetings, you must rely upon letters to recharge his energies.

In order to make these letters effective it is necessary to know where a salesman can be reached at all times. This necessitates a daily report by which each man's route can be followed by a map and tack system. Customer reports give data regarding selling conditions in each territory and a weekly summary of sales enables the sales manager to keep his finger on the business and on the work of every man.

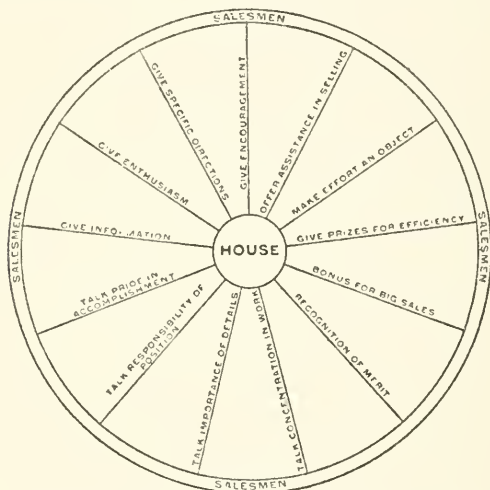
The experienced salesman learns to read between the lines of the salesmen's reports, detect lagging interest, determine when they are working from a wrong angle, interpret the hidden note of discouragement and with letters charged with enthusiasm and helpful suggestions, brace them up and get them going under full headway again.

But these letters do much more than impart ginger and inspire confidence. They are frequently educational in the strictest sense of the word. Various arguments are taken up, and anecdotes are related showing how selling problems have been solved, difficulties met, obstacles overcome. A salesman may never recognize his own weakness until he sees just how some other man has been able to increase his sales.

It is obvious that the salesman must be supplied with price changes, market reports and suggestions for handling emergency propositions. Many houses employing large forces of salesmen send out house bulletins, daily or weekly, instead of letters to give this information. The bulletin is usually a small pamphlet made up as attractively as possible without incurring too great expense. It discusses house policies from the viewpoint of both house and salesman; takes up questions of compe-

tion and methods of meeting arguments; reproduces suggestions offered by salesmen; carries warnings against poor selling arguments, misdirected energies and the dangers of wasting valuable time. Then it outlines advertising campaigns that may be available as selling arguments.

Time after time the brilliant beginner falls down because he lets his own magnetic ability to take orders blind him to the



The house should keep in close touch with its field forces and this chart indicates the many ways in which letters may be used for gingering up the distant representatives

necessity of keeping the shag ends of his business picked up. He neglects details, taking orders with never a thought of how or when they can be filled.

Either house bulletins or letters explain the mistake of this attitude and suggest remedies. A little ginger plus some hard sense talk, puts the spur on the lagging salesman and opens the eyes of the man who is easily discouraged.

Some concerns conduct educational letter campaigns which carry the salesman mentally through the various departments

of the business. He is shown operations in factory and warehouse, details of shipping and billing rooms and working systems of the credit and collection departments.

Salesmen must be inspired to raise their efficiency; they must feel sure footed. Confidence in one's ability is the keynote of success, and in letters to salesmen, hammer on this idea continually: "You can do anything any other person has done, *if you do what he has done to accomplish it.*"

Some men are handled by letting them alone; others are handled by sympathy; others by analytical criticism; others by direct and specific advice. No rule fits them all—or any two, but every letter sent out must be intended to leave the man in a better frame of mind. It should convince him that no matter how his disappointments have piled up, he is sure to demonstrate his power if he keeps at it, and does things *right*.

Giving the salesman some specific thing to accomplish often gets results. For example, an insurance manager wrote an agent:

"Go over to So-and-So and insure him for \$10,000. He will tell you that he doesn't want the policy, but I know he does."

It is often a surprise what specific instructions such as these will accomplish. Agents who have been falling down frequently regain their stride under such a spur. The influence of a strong personality upon a salesman is great, and the man who has been aimlessly looking up and down the street, will apply himself with new vigor if his energy is properly directed.

Many times it is possible to turn to account the disappointments and discouragements which make men falter. If salesmen can be made to realize that the very difficulties of their calling give them their living, they will find a new incentive.

See how this letter gives the beginner a new outlook:

"Some salesmen forget that the difficulties in the business are the stones in the wall which protects them in their field of labor. Were the business suddenly to become easy, a thousand times as many men would be rushing into it as rushed to the Klondike for gold. Were it not difficult, the 'diggings' you have staked out would very soon be exhausted."

When a man thinks of his calling in this light, he is nerved to go ahead. There are many such diplomatic turns the manager may give to complaints, generating inspirational advice from the discouragement.

Deprecate any complaints from men that this or that salesman was specially favored by circumstances. Seek to impress upon all that application, determination and perseverance will accomplish almost anything. Point out that "luck" really undermines a man's strength and makes his future success less secure, even though he may profit temporarily. The force of such an argument often nerves men on although they had been ready to quit the struggle.

Follow the general idea of this letter:

"I have come to look upon it as a pity that circumstances should ever combine to place men of much ability in a position where they are not obliged to begin with a struggle for existence; for most individuals are so constituted that they are obliged to do so. The saving event in many a man's life is the blow that takes away the props that have supported him and leaves him to look out for himself. Many persons have told me that this is true of their own lives."

The men who receive a letter like this, come to look upon "luck" from a new angle. The sales manager may deal in platitudes and time-worn ginger talks but they are new to the young salesmen and help them see their problems in a broad way.

Men do not think out these things for themselves at first. They must be educated. Take a man out and tell him to jump over a five-foot hurdle and he will say he can't do it. To train him to jump, you give him lower hurdles, and raise them gradually. To lift men by degrees into a knowledge of their own powers and the ability to use them is the aim of the sales manager.

Never discourage a man by running down his ability. On the contrary, tell him how much he is really capable of doing. An example is very valuable in getting men to work. Show them what other men are doing, or have done, and point out that the men who accomplished such marvelous results are only like the common run of mankind.

Even the best salesman out on the road will at times falter and lose faith in himself unless he is galvanized from the office.

The struggle is hard, and he is away from the inspiring influences of the house and the magnetic touch of the men who swing the thing along. A letter of fault-finding, a "roast" from the home office, a discourtesy from his manager, reflects itself disastrously.

Dear Mr. Cochrane:

The correspondence I have just had with one of our field men working a difficult territory is so pregnant with suggestion that I am going to pass it on to you.

Mr. Geo. L. Brown, working the counties of Winneshiek and Howard, in Iowa, wrote me on August eighth last that he had about decided to go into the land business as he had been offered a guarantee of twenty-five hundred dollars and expenses a year.

I wrote Mr. Brown the tenth as follows:

"To my personal knowledge we have not a field man making less than twenty-five hundred dollars yearly who does not fail to work regularly eight hours a day.

"The field man who plans his time and who spends eight hours a day out among his prospects makes three--five--eight--ten thousand dollars--no matter what the territory.

"The opportunities are greater in insurance than in any other line today for the man who will put in the time. So, before changing to any other line, I want you to try the eight-hour-a-day plan--and see how profits' foot up."

Fifteen days later, I was pleased to receive the following wire from Mr. Brown:

"Keep my name on the agency list. Have written forty-two thousand dollars in two weeks."

And--remember: This was the same man in the same territory. He merely tried the plan of working systematically eight full hours a day in the face of every possible discouragement.

Most cordially,

Wallace E. Lee

Manager of Agencies.

The inspirational letter is especially needed for gingering up insurance solicitors, and the field force can be greatly stimulated by the manager who understands how to apply the spur by letter. The above letter proved unusually effective in holding men down to their work

On the other hand, any man worth having is worth treating diplomatically.

For example, here is an idea that has been effectively used:

"There is a vast difference between a proper understanding of one's own ability and a determination to make the best of it, and offensive egotism. It is absolutely necessary for every man to believe in himself before he can make the most of himself."

To get men to exercise their powers in initiative requires pressure from above. The manager cannot sit in his office and expect his sales force to keep up their enthusiasm without encouragement.

No matter what the incident or occasion for the letter, the keen manager can turn it to account by using it as an inspiration-builder. If it is patience the man needs, you can give him a little talk that will leave him in the right frame of mind by a letter of this kind:

"One of the most essential requisites in the accomplishment of any really great matter is patience--not the patience which sits and folds its hands and waits. Macawber-like, for 'something to turn up,' but the self-control which never jeopardizes or upsets a plan by forcing it at the wrong moment. The man who possesses that kind of patience always finds plenty to do in the meantime."

If the man has scattered his energies, there is splendid occasion for a homily on concentration.

The letter ought to be the reflection of the same influences that exert themselves in the office: to put a hand on the shoulder of a worker, or give him a handclasp, or say things to him as in person, and send him away full of enthusiasm and determination to work as he never worked before--this is the real function of the letter to the salesman.

Salesman's Letters That Keep Up a CUSTOMER'S Interest

PART XIII USING LETTERS ON THE DEALER TRADE CHAPTER 60

TO HOLD a customer's attention when the salesman is face to face with him is a simple matter. But to keep the SALESMAN in the CUSTOMER'S MIND during the intervals between calls, especially at those times when he is about to place orders for goods, is a problem that is solved by the salesman's letters—letters ranging from hastily-penned personal messages written from various places en route, to form letters sent out from the home office over the salesman's mechanically reproduced signature. How these letters are prepared and how they are used is described in this chapter

CONCERNS that depend upon the salesman's personality to make their letters more effective, use one of these methods of producing them:

The salesman's letter written at his hotel.

House form letters—sent to salesmen for signature, postscript and personal supervision in mailing.

House form letters—mailed from the house over the salesman's signature, applied mechanically.

The salesman's hotel written letter carries the most intimate message, gets closest to the customer and is consequently the strongest in its appeal. It commands attention. It is the most adequate substitute for the personal call. It adds force to arguments, because explanations may be read and studied over during the customer's leisure moments. It builds an easy

approach for a sale at a later call by keeping the proposition fresh in the customer's mind without an appearance of too much persistence.

It is usually advisable to leave an opening for a follow-up letter at the time of the call. One alert salesman notes on his customer's desk memorandum the date when he expects to return, remarking as he does so: "You may want to reach me before that date; I'll just drop you a line from time to time to keep in touch with you."

Thus the stage is set for the entrance of his letters, which may deal with purely business matters, or they may relate wholly to matters of a personal or private nature.

A week after making the call, the salesman may express his real interest in the customer by writing:

"In my hurry to catch the 10:46 the other morning I may not have explained fully some of the selling features possessed by our AAA Corsets."

Then he goes on and reviews his arguments, pointing out the advantages in handling his line. Or, he may emphasize some one point that he had not played up sufficiently:

"Did I make it clear to you that there is but one refrigerator manufactured in this country using genuine porcelain food compartments, and that is the Alaska? There are plenty of imitations of one kind or another under misleading names. Some of them are good refrigerators but none of them will give such service as the Alaska."

Some service argument is always effective and seized upon by salesmen with pleasure:

"I received word from headquarters this morning that the new factory was opened yesterday. This is equipped with the most modern machinery and it practically doubles our capacity. We are now prepared to give you better service than ever before--better service than any other house in the country. Wire a rush order and see how we take care of you."

Another effective letter to a customer shows him how the salesman keeps his individual problems in mind:

"On my return trip I am going to tell you about a clever window I saw at the People's Store at Benton. They have a corner window just like yours, and the minute I saw the trim and the crowd it attracted I said to myself: 'There's just the thing for Watson,' and I arranged to have a photograph taken and can show you just how the stunt was worked--you'll be needing a new line of neckwear by the time I get back."

A selling scheme is offered as well as goods, and salesmen from rival houses will find it practically impossible to get an order from Watson as long as this man is taking such a personal interest in the development of his business.

News of market conditions that will bear directly on a sale, offers opportunity for some such letter as this:

"The weather conditions of the past few weeks indicate a shortage in the wheat crop. Prices of flour are sure to advance. I cannot advise you too strongly to place orders for several car loads at once. New Dominion flour is as safe an investment as government bonds--and will yield many times the profit."

Give the salesman ammunition such as a special offer on goods and he may get orders by mail from his customers. He may send letters back over the territory just covered and save the time and expense that a return call would involve. This letter is a good illustration:

"Look at the enclosed display stunt.

"Our display experts have proven that it doubles sales. It certainly is the most attractive scheme you'll see this year.

"The house has promised to give you one of these display racks--mind you, give it you, if you will advance your fall order a week or two and take the full gross of plates.

"This is a ten-day offer and I can't reach you within that time. Use the enclosed order blank and reach me at Benton, Hotel Columbia."

Special price tips often secure orders by mail when the salesman is pressed for time. The fact that a salesman makes a special proposition of this kind not only shows his interest in the customer, but impresses him with the "time limit" or the "limited supply," inducing him to "order now."

The salesman's cooperative letter assists the house in the quick adjustment of complaints, and most salesmen feel that their time is well spent in personally straightening out kinks, as it gives an opportunity to show that their interest really extends beyond taking the order. Here is the way one salesman handled such a situation:

"Notification of your complaint has just reached me, but have not received particulars regarding the exact nature of the trouble. Write me fully and I can doubtless tell you just how to remedy it. Be assured there is nothing seriously wrong with your machine, for every one is thoroughly tested before being shipped. The trouble is due to some little part that is not just properly adjusted. If you can't explain the situation thoroughly in a letter, wire me and I'll change my route so as to reach Centerville Saturday night and get the machine running properly."

Often a clever twist may be applied by the salesman, in cases of unjust complaints, by which his letters will save future sales. A buyer who had overstocked tried to place the blame on the house, but the salesman smoothed over the imagined difficulty and tactfully thrust upon the customer an obligation to hold his next order for the house:

"I was sincerely sorry to receive notice from the house that you claim the books shipped were not as ordered. I have never known the sales or shipping department to make a similar mistake--in fact, my experience tells me that they are unusually painstaking and careful.

"Even though the house investigation indicated nothing wrong, I can promise that your interests will be considered first.

"You'll agree with me I'm sure, that they have met your complaint with all fairness when they allow the books returned. Don't take the time to thank me now. I'll call in a month with my fall samples and you can do it then."



Electro-Cigar Lighter

The New York Edison Company

Fifty-Five Duane Street



The New York Edison Company



Fifty-Five Duane Street



The New York Edison Company

Fifty-Five Duane Street



The New York Edison Company

Fifty-Five Duane Street



The New York Edison Company

Fifty-Five Duane Street



A series of letterheads that illustrate various uses of the product and so not only vary the appearance of successive letters but afford good advertising

Spar Products Company

Spar Products Company

*Executive Offices
47 West 34th Street*

New York

Spar Products Company

47 West 34th Street

New York

U.S. PAT. NO. 1,100,000

REG. U.S. PAT. OFF.

NO. 1,100,000

American Type Founders Company

ORIGINATOR OF TYPE FASHIONS

General Offices, 300 Commonwealth Avenue

JERSEY CITY, N. J.

TELEPHONE AND CABLE

NO. 1,100,000

NO. 1,100,000

A **AMERICAN TYPE FOUNDERS COMPANY**

Originator of Type Fashions

Originator of Type Fashions

General Offices, 300 Commonwealth Avenue

JERSEY CITY, N. J.

The American Type Founders Company is the largest and most complete type foundry in the world.

American Type Founders Company

Originator of Type Fashions

General Offices, 300 Commonwealth Avenue

Jersey City, N. J.

For different departments, to handle different classes of correspondence, or simply to vary their follow-up, varying letterheads are used

The salesman is often the first to see the injustice of delays and mistakes in shipping, and the best judge as to the responsibility for overstocking or damaged goods. His letter, backing up the house letter, goes a long way towards smoothing out the trouble. He may seek only to back up the house and give the customer assurance of fair treatment. For example:

"I am very sorry to learn that the Cocheo Tweed was damaged in shipment. The house will speedily make it good--in fact, I have been advised that the perfect stock will be expressed to you prepaid this week."

Matters of purely private interest never fail to get under the skin of the customer. If the salesman can establish a point of contact through some medium entirely removed from business, he may overcome indifference and even break down prejudices. A western salesman who had been unable to land an order from a customer previously antagonized by some house policy, learned that this man's one particular hobby was thoroughbred horses, so he wrote the customer, just previous to his visit:

"I'm coming over to look at your stables. I'm interested in fine stock and I'm told your stable is the best in this section."

The customer greeted him warmly when he called. They talked "horse" for an hour. Then the salesman inserted the fine edge of his "canvass," and found his man receptive. In ten minutes after reaching his customer's office, the sale was closed, and they were talking "horse" again.

To another customer, a golf enthusiast, the salesman wrote in this way:

"Garden played in his best form at the All Western, but he sprained his ankles. Can't you write him a note? I hope we can find time to play a round next time I am in Green Valley."

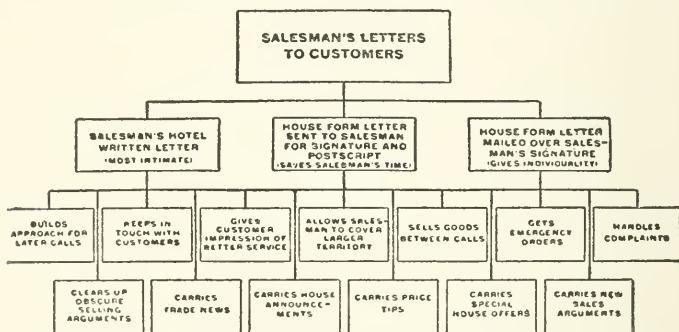
Aiding the customer in his private affairs, and thereby making him indebted to the salesman is one of the possibilities

of a letter. A tip on the market, an unusual investment opportunity, a word of sympathy on account of sickness in the family—the avenues of approach are innumerable for the alert salesman.

Tact is always essential and the salesman should adopt the viewpoint of the person to whom he is writing and take up whatever phase of a subject will appeal most to him.

This requires an extensive knowledge of trade, house and customers. If the salesman tries to carry all this in his mind he will "miss goal" frequently. He should have a system of gathering these facts and filing them for quick reference.

A good method for gathering and keeping track of news is to make out a customer card on which can be entered the



A chart showing the many ways in which the salesman can use letters to keep in touch with his trade

names and addresses of customers, their business standing, orders taken, approval required for orders and discounts used. Under a "Remarks" space the salesman can enter general information, special conditions in the customer's business, matters that will need investigation and further attention. If he is wise he will add some data regarding personal characteristics, such as private interests of the customer, his home interests, his hobbies—anything that will give a hint to be used later in letters. Occasionally he finds a selling scheme used by some dealer that will be of service to some other customer and he makes a note of this on the card.

Some simple method of classifying these cards is necessary. One method is to use a small file, lettered and tabbed to enable the salesman to get any particular card without difficulty. A "tickler system" is sometimes employed. This is a simple box with guide cards numbered from one to thirty-one and another set of cards numbered from one to twelve, indicating the days and months. Behind the card indicating the date on which a customer is to be written, the customer card is inserted and it comes up mechanically for attention on that date.

To save time for the salesman the house may get out a form letter and send it to him for his signature, a postscript and mailing. These letters lack the intimate personal feature, but they carry inspiration and more forceful arguments than can be written by the majority of salesmen. The salesman can sign and postscript twenty form letters in the time it would take him to write a couple of personal messages.

Some situation may arise making it desirable to cover a large territory quickly, and the subject demands both skilled preparation and an intimate appeal. Here the form letter signed by the salesman fills the requirement. The postscript and signature add personality; the post-mark, since the letter is mailed from a point in the field, assures attention from the customer.

The actual sales value of such letters was shown in a Chicago wholesale dry goods house, that had on hand a quantity of a certain brand of hosiery that had proved a slow seller. A cut was made to dispose of the surplus stock.

The manager decided upon a letter campaign. Letters were written from the attitude of the salesmen, in the first person, and sent to salesmen in the territories for signature and postscript. Merchants who had refused the stock were reached by the cut price and more than one-third of them placed orders.

Formal house announcements, price, quotation, seasonal openings and new house policies are usually cold and impersonal. But add the salesman's signature and an intimate postscript, and they glow with warmth and personality. A sentence, written at the bottom of the generalizing form letter, adds an individual message that gives to it the vitality of a personal letter.

Even if the salesman's memory does not furnish him with ideas for postscripts that add local color to a letter, his "Pocket Album of Buyers" or his customer file will give him the neces-

sary suggestions either of a business or a private nature. His card file says that Jones is intensely interested in the temperance question, and he adds the postscript:

"You remember our discussions over that local option fight at B——? Well, you win. The dries carried the county—hands down."

Or his file memoranda says that Brown is a warm socialist, and he takes the cue for his postscript:

DATE	RECORD OF CALLS	
NAME		
BUYER		
RATING		
REMARKS.		

This is a simple and convenient form of card on which the salesman may keep a record of his regular customers. The upper form shows the face and the lower the back side of the card. Space is provided for all the information that is required by the average salesman

"Your friend Whitney spoke to over ten thousand people at Central City last night. I went out to hear him and was quite favorably impressed."

In the letter itself, the personal pronoun is always used and the mechanical details of make-up are watched closely to give the impression of the salesman's personally dictated message. To narrow a generally applicable subject down to a more individual appeal, is of foremost importance, and this makes it necessary for the house correspondent to have a complete knowledge of trade conditions, customers and the salesman's work.

For example, all the customers in a western territory may be affected by a poor wheat crop, or an eastern territory may be especially affected by labor conditions, or a southern section

may be affected by a demoralizing political campaign. The correspondent must keep in touch with local conditions and make use of such information.

To segregate the form letters going into different territories, a simple system may be adopted. A series of code numbers or letters indicate the different salesmen and their territories. Each customer card is marked with its code number or letter and when the envelopes are addressed, this code, marked on the outside in an inconspicuous manner, shows to which territory they belong. They are then grouped by territories; form letters are filled in and laid out with the envelopes and sent to the various salesmen.

There is another class of letters—the third method of creating closer appeal by employing the personality of the salesman.

These are the house form letters, given a more intimate application by being written in the first person and the salesman's signature is applied mechanically. As in the use of the "postscript" letter, this medium of approach may involve all but the most individual matters, since it can deal with any subject that applies to an entire class of customers. Its most effective use in customer handling, however, is in supplying a medium for subjects that do not need the detailed formula of adding a postscript. This includes such form letters and house communications as deal with announcements of a very general application—any message that should reach the customers between calls of the salesman, needs a more personal touch than the house form letter can supply. Here the use of the salesman's signature is enough to destroy the otherwise cold formality.

A scheme of this kind was applied by a dental supply house manager in letters to a certain class of graduating students and unusual results were secured. This sales manager had to fight five competing houses, all strongly entrenched. His salesmen had been meeting the students and building an acquaintance upon which to land sales of supplies at the close of the state examinations, but salesmen for the other houses were equally active. The sales manager secured, through his friendship with state officials, a list of the successful students before the returns were published.

How to give out the information, get the credit for the scheme and land the orders, was the question. He decided to

send letters through his salesmen. A form letter giving out the news and tactfully taking the credit, was written in the first person, signed and mailed by the salesmen, each salesman reaching the students he had especially cultivated. The letter, in its closing clause, inserted the fine edge of the sales argument, in this way:

"You will be locating soon, and you'll want to look around pretty carefully before deciding on your office equipment. Better take a moment and come in to talk over this matter. Mr. Black, our manager, can give you some valuable suggestions."

This letter put on the one final clincher that swung the business. Not only did it give the salesmen an advantage, but it brought buyers direct to the house.

Where the list of customers runs into the thousands, some mechanical system must be used for applying the signature. One western concern adopts this simple though effective method: code numbers, marked on each customer card, indicating the salesman covering the territory, are transferred to the envelopes during the addressing work. These envelopes are sorted by code number and filed separately, and an equal number of letters laid with them. Then girls with rubber stamps quickly add the salesman's signature.

There is still another medium of reaching customers: the postal or mail-folder, may be used under certain conditions by the salesman. Its duties are best adapted, however, to announcements of calls and reminders that require only a brief message. These cards may be a regular form, supplied by the house and filled in by the salesman at his hotel. Their greatest advantage lies in the convenience in mailing and cheapness. Many salesmen sit up nights thinking out new ideas and clever ways of getting out announcement cards—something original that will more strongly impress upon the customer the date of their next call.

How to Collect Mercantile Accounts by LETTER

PART XIV

COLLECTING MONEY BY MAIL

CHAPTER 61

THE CUSTOMER *who is "no good" is so quickly branded by mercantile agencies that few losses occur through him. The troubles of the credit man come from the HONEST DEBTOR who is delinquent through unforeseen circumstances, and the TRICKSTER who is "sure pay" but who resorts to any scheme to defer settlements. The problem of forcing collections from these two classes of customers, at the same time retaining their trade, requires tact and a penetrating knowledge of human nature and of business practice—as explained in this chapter*

IT IS comparatively easy to order goods—it is another thing to pay for them. The assertion that selling merchandise is the hardest problem in the business world, is challenged by the men in charge of the collections for large wholesale houses and manufacturing concerns.

The importance of the collection letter makes it necessary to weigh every word carefully. If a sales letter goes wrong the house merely loses the sale—it still has the goods on its shelves; if the collection letter falls down the house loses, not only its profit on the sale, but the goods as well. The sales letter that misses the mark does not prevent the house from coming right back the next week with another proposition to the same individual. But if the collection letter runs amuck, the gates are closed, shutting off future business relations between the house and the merchant.

The sales letter persuades a man to take something on which he believes he can make money; the collection letter must induce him to give up that which he has acquired by toil and hard work. The poor selling letter is tossed into the waste basket and forgotten, but the undiplomatic collection letter may offend a man, and he will not forget it—he will charge it up against the house and do business with some other concern.

Collections usually fall into two divisions: commercial accounts and instalment accounts, each of which presents its own problems. This chapter will deal with mercantile accounts and how they should be handled.

Most credit men divide debtors into three classes: the honest debtors, who are delinquent through poor management or because of circumstances over which he has no control; the tricksters, who are looked upon as sure but slow pay—men who know all the clever devices for delaying payment for the sake of the interest on their money; and then there are the dishonest debtors, who try to beat their creditors by hook or crook.

The merchant who is “no good” is soon reported by the agencies and dealings with him should be on a cash-with-order basis or goods should be sent out C. O. D. It is over the other two classes that the credit men lose sleep—the men who are naturally or unavoidably slow and men who will do anything to hold onto their money for a few weeks or even for a few days.

All credit letters, no matter to which class they are directed, must have tact and firmness—tact in making the appeal that is most likely to strike home and firmness to give the impression that there is no alternative: the debt must be paid. And so it is necessary for the letter to have individuality, yet be pliable enough to shape itself to fit individual cases. On this account, many concerns are discarding form collection letters almost altogether, and the writers who make the high scores in collecting money by mail, study the individuals to whom they are writing, try to understand their problems, sympathize with their disappointments, and give to their letters an intimate personal touch—the while remaining firm in their attitude that the obligation must be taken care of fully and promptly.

It is necessary for the man who writes the collection letter to have a most complete knowledge of the debtor's condition—his past record, the size and character of his business, his reputation, his competition, the local problems and any other

facts that he can secure from letters, from salesmen, from commercial agencies and from other sources of information.

When it comes to writing the letter, do not lose sight of the fact that a debt is a plain business obligation; do not let the debtor look at it in any other light. Whether the letter is the first reminder or the last in your follow-up, it should have this attitude: the bill is an obligation that cannot be avoided. At the first intimation that you fear he is not going to pay, he will be encouraged to think up new excuses for deferring the payment or of evading it altogether.

Another fundamental principle of the collection letter is the necessity for giving it life; making it breathe a spirit of human interest. Don't treat the debtor as if he were a criminal trying to escape punishment. Even though you may be convinced that he is a rogue, telling him so, is a poor way of getting your money. The letter can be firm and dignified without being insulting. If it is a new experience to a man to be abused he will be too sore to respond, and if he is a "professional dead beat" to whom insults are every-day occurrences, your letter will not stir him to action. Another approach must be found.

Show a man politely that you mean business, impress upon him that you intend to give him a square deal and that you expect the same from him. Show him how it is to *his* advantage to settle the obligation; remember the "you" element, and that it is a mistake to write the collection letter from the standpoint of "I" and "my," just the same as it is in the sales letter. Emphasize the "you"—point out to the debtor how it is to his interest to settle the account and keep his record clean.

There is no more common mistake than to make an appeal for money on the ground that it is needed. Here is a familiar form of letter:

"We dislike to remind you again of your account amounting to \$___ but we find ourselves short of funds just at this time and will appreciate a prompt remittance. Under other circumstances we might be very glad to grant you a further extension of credit, but just now we must insist upon an immediate settlement.

"I am enclosing a return envelope and will look for your remittance to cover this amount by the next mail."

In the first place, such a letter shakes the merchant's confidence in the wholesale house for it indicates that the concern is operating on a narrow margin, or else it has poor management. But more than that, it gives the man an excuse for not paying. He, too, will make a "hard up" cry.

There may be times when it seems desirable to shape an appeal along this line but it can be done without a loss of dignity or a shaking of confidence in the stability of the house.

One firm writes:

"When you consider that we are handling over 30,000 accounts you will appreciate that a few delinquent ones here and there soon amount up to many thousands of dollars, and as we discount all our bills promptly we feel that we must insist upon a prompt payment of these overdue accounts."

This gives the customer a little glimpse of the firm's position and there is no begging tone about the letter. Any well-balanced business man will recognize the soundness of the explanation and respect the house for maintaining such a policy.

But the letter writer must never lose sight of the fact that the debtor is a customer, whose future patronage is desired, and it is the policy of nearly every wholesale house to grant reasonable extensions when there is any legitimate reason. Extending accommodations may be the quickest and easiest way of collecting a debt, and at the same time it may place a customer under such an obligation to the house, that he will, in the future, give it a larger share of his patronage. Future dealings can be ignored only in the case of individuals who are such poor pay that their trade is not desired.

So the man at the head of a collection department has a two-fold problem: to collect the accounts with reasonable promptness and to retain the good will and patronage of the customer. It is a common experience that four letters, increasing in urgency will determine the attitude of the debtor. Four letters should either collect the account, lead to a satisfactory arrangement for its payment, or convince the credit department that the account will not be settled without assistance from lawyers or collection agencies. Where a greater number of letters are used, they do not make a strong enough impression and it is almost impossible to prevent an anti-climax.

It is obvious that the first letter should be very friendly and merely call the customer's attention to the fact that his account is overdue. The attitude should be taken that the matter has doubtless escaped his attention, and the barbed point may be concealed by a little selling talk about some new lines of goods, or some personal comment on subjects of mutual interest.

Here is the way a wholesale paper house wrote to one of its customers who had failed to remit with his usual promptness:

Dear Mr. Smith:

In running over the books this morning, I happened to notice that your October bill has not been paid. This is not worrying me at all for I have no doubt it has simply escaped your attention and so I am writing just to remind you of it and, if convenient, I will be very glad if you will send us a draft not later than the 20th.

I was down in the shipping room yesterday when a new line of envelopes was opened--a high grade linen finish made from Bismark Bond. The sample I have enclosed is made from 20 lb. stock and is priced at \$1.20 per thousand. Isn't it a dandy? Compare it with any 15¢ bond and see if it isn't the biggest bargain you have run across in many a day. It comes in white; azure, golden-rod and canary. Better include a few thousand of these envelopes with stock to match in your next order. Show them to your customers. They will be ready sellers.

Very cordially yours,

Wm. E. Lee

Such letters as this possess great pulling power. In the majority of cases, such accounts have not been settled because the customers were rushed with work and neglected to hustle in their own collections. There is nothing about such a letter that will give offense, and usually its spirit will be appreciated. Not only will the letter bring in the belated remittance, but it also carries a selling talk that frequently pulls an order in the same envelope with the draft.

If such a letter does not call forth a reply, a second and more urgent letter should be sent out not more than ten days after the first.

The following is a second letter that proved effective in many cases:

Dear Mr. Smith:

As you know, your account is now considerably overdue. and I am wondering why we have not received a remittance or a reply to our letter of the 13th.

A duplicate statement of the account is enclosed and I wish you would please let us know if there are any items which do not agree with your books, so that we can adjust any discrepancy

If our statement does agree, a remittance will be much appreciated. May we not receive your check by return mail?

By the way, what did you think of the sample of Bismark Bond envelopes which I sent you? These are proving one of the big sensations in the printing world and I am sure you will find them a very profitable line to carry in stock.

Very truly yours,

Wallace E. Lee

It is generally agreed that sales talk in subsequent letters is wasted. The third and fourth letters must be short, sharp and to the point. Here is the third letter that is used where the first two have failed to bring results:

Dear Sir:

Your attention has twice been called to your unpaid account, but for some reason you have not replied to our letters.

Our terms, as you know, are thirty days and we cannot allow a longer extension except by special agreement. May we expect your check by return mail? If you cannot send the whole amount of \$94.30, send at least a part. Failing to receive a remittance, we will draw on you on the 6th.

Very truly yours,

Wallace E. Lee

There may be, of course, exceptional cases where it is desirable to send out more letters to coax a collection from a customer but in the majority of instances the creditor is justified in taking more drastic steps to force payment, if three letters fail to call forth either a remittance or an explanation. The fourth letter need be little more than a notification of the fact that the account will be turned over to an attorney or collection agency. A fourth letter is usually short and something like this:

"Our three requests for payment of your October bill have been ignored. As this account is long past due, and we have not received even an explanation for this delinquency, we feel that we cannot carry it longer on our books, and unless it is paid by the 22nd we shall, without further notice, turn it over to our attorneys for collection."

At times, however, the fourth letter may be longer in order to impress upon the customer the undesirability of having legal action commenced. Here is one used by a successful collector:

Dear Sir:

In order to do you no injustice by taking legal action which might in any way affect your credit standing or reflect upon your integrity, we offer you this final opportunity to settle your account with us direct. Your continued neglect of this obligation leads us to one conclusion, but it is hard for us to believe that a man of your reputation and standing would attempt to evade payment of a just debt.

Unless we hear from you within ten days with a substantial payment to apply on the account we will be convinced absolutely of your intent to evade payment of this obligation, and the account will be referred to our legal department with instructions to take any action necessary to bring about an immediate settlement irrespective of the effect of such action upon you. This is our final notice and should we fail to hear from you within ten days, as above stated, the matter will be placed with our attorneys with instructions to take any action necessary to effect a quick settlement.

Very truly yours.

Dewitt Co.

It seldom happens that matters go this far without a reply from the customer. If a man has been in business and expects to continue in business, he realizes that such negligence on his part is suicidal to his reputation. The "worth while" buyer who neglects payment always has a reason for his delay and he does not wait until the third or fourth letter has been sent to him before he makes some explanation. Usually he has a complaint or has been disappointed in his own collections, or has met with reverses that prevent his taking care of his obligations

Dear Sir:

Your attention is called to our letters of Sept. 7th, Sept. 30th, Oct. 16th, Nov. 11th and Nov. 15th, in which we appealed to you in very urgent, polite terms for payment of your June and July bills. To none of these letters have we received any reply:

In these days of close competition, when quality and price are aiming at achieving the uppermost notch, it is absolutely necessary to collect promptly in order to be able to purchase raw materials in large quantities at cash prices. If we don't require this of our customers, and our competitors do require it of theirs, we shall find ourselves at a disadvantage as to cost of production and unable to compete as successfully as we should. This inability will react to the disadvantage of our customers, who will also be adversely affected in their competition with the customers of our competitors.

THEREFORE, for your sake as well as our own, we must insist on prompt payments. It is not right to let our money lie idle in your possession when it should be in use, purchasing raw materials for our benefit and for yours.

We recommend to your appreciative attention this view of the financial end of our dealings, and hope you will respond by return mail, for we are informed that you are well able to pay and only need the right kind of appeal, which we trust we are now making.

Very truly yours,

Brown & Co.

Here is a clever letter sent by a paint and varnish company to customers it knows to be responsible but negligent about paying bills. The argument that it is to the financial advantage of the debtor as well as to the creditor to pay up promptly is neatly and convincingly introduced

with usual promptness. The credit man makes a serious mistake if he does not put forth a determined effort to find out these reasons before he threatens to place the account in the hands of an attorney, for after he has once made this threat he should invariably "make good."

After all, the big problem with the average wholesale house is not with bad accounts but with poor accounts—merchants who are naturally honest, men who want to pay their bills, but who through lack of capital, or inefficiency, or too great leniency with their own debtors, are slow pay. And so the problem of the credit manager is not to use the "big stick," but to make an appeal that will induce the debtor to bestir himself and make some turn by which this particular obligation can be met. Tact, diplomacy and judgment collect more accounts than threats and prosecutions. The actual difference in results between the big stick method and diplomacy is shown by the experience of a Chicago wholesale house.

An Iowa dealer owed the concern five hundred dollars. Two congenial letters had failed to bring an explanation other than a reply that he simply did not have the money at the time. Following blindly in his routine collection process, the credit man sent this customer a brief communication telling him to find the money somewhere or go to court. Suit followed, the merchant went into bankruptcy, and the firm ultimately received less than thirty per cent of its claim.

Six months later, however, with a new credit man at the desk, a similar situation arose with an Indiana customer on a six hundred dollar account. Delaying summary action, the credit man proceeded to make a thorough investigation of the case. In a few days he found that the customer, although temporarily embarrassed, had always been a shrewd and careful merchant, and that, if given time, he would undoubtedly regain a sound financial position. As a result he wrote the dealer in this manner:

Dear Mr. Brown:

We fully appreciate the circumstances that have made it impossible for you to settle your account with us before this time, and as an appreciation of the promptness with which you have always met your bills in the past we are now glad to extend you any reasonable accommodation.

What amount could you arrange to pay us monthly on your present account? If you can make regular payments on it, we will be glad to ship you in the meantime any goods you may desire up to a reasonable figure, and you can settle for them on receipt of the statement each month. This plan should work no hardship to you, and it will enable us to continue doing business on our long-standing friendly basis. Let us hear from you at once.

Very cordially yours,

Anderson & Anderson

To this letter the merchant replied, offering to pay \$50 each month. This the credit man succeeded in raising to \$60, offering to ship the merchant new goods up to the value of \$100 monthly, to be paid for promptly.

On this basis the \$600 account was settled in full, the firm secured current business for which it was paid promptly, and a year later, when the customer had reinforced his bank balance, the house had a virtual monopoly of his trade in its line.

It should be observed, too, that through the credit man's strategy, the offer of a rate of payment came from the merchant himself. In this way the former succeeded in drawing the dealer out, getting an insight into his financial condition and betraying none of his own eagerness to secure a settlement.

This is one example of how cautious and considerate treatment of the customer, and an understanding of his case just at the critical time may point the way to a compromise rather than to the court.

To give instructions in collecting money by mail would be to conduct a course in diplomacy. The chief fault with the ordinary collection letter is that it follows too religiously on the trail of the stereotyped paper salesman. It contains too much machinery and not enough personality. Be just as human in asking a man to pay what he owes you as you are in asking him to buy your goods. Try to understand him and then let him know that you do understand him; talk to him about his obligations as you did about his needs.

"Short credits make long friendships," is a familiar saying with credit men. Even the business man who has to hustle hard to make his collections and to meet his bills thinks more of the wholesale house that insists upon prompt payment. This

course challenges his respect; it gives him confidence in the policies and the management of the house.

And to do this, of course, it is necessary to understand human nature. For example, flattery is a subtle weapon in collecting accounts—just as it is in other dealings. One very successful correspondent has a plan of writing a personal letter to a delinquent, saying that his firm has decided to draw on all delinquents in a few days; that he takes the liberty to write Mr. Blank, believing that he prefers not to be drawn on and suggesting that if check is received within a week, the draft will not be sent out. This plan not only gets the money, but it gives the customer a more friendly feeling towards the credit man who so kindly “tipped him off.”

Many credit men advocate making the debtor a proposal such as this:

“If you will send \$100 by the 10th you may wait until the 20th to forward the balance.”

But in adopting this kind of a policy it must be remembered that no promises should be made that you are not prepared to live up to. For after once granting an extension of time you cannot well enforce earlier payment.

Remember always that most men want to pay their debts and do not consider any man dishonest until he has proven himself so. Many a collector gets mad and writes vitriolic letters to the delinquent. This may relieve his feelings, but it doesn't collect the money very often. The tact which points out to a dealer the desirability of keeping his credit good for the sake of future business; the personal touch that offers helpful suggestions for meeting an embarrassing situation—these are the elements that make the collection letters pull. Do not resort to threats of severity until conditions absolutely demand them. The debtor who has been harried and aggravated by the ordinary “give me my money” letter will have a pleasant surprise if you first show him a personal understanding of his case. And your cordial willingness to be reasonable will get your money while the man who resorts to early threats waits for his.

How The *Retailer* COLLECTS ACCOUNTS by Mail

PART XIV

COLLECTING MONEY BY MAIL

CHAPTER 62

ANY RETAILER *can collect money that is due him by force—if he is willing to lose the customer. But to induce his customers to settle their bills without antagonizing them and LOSING THEIR TRADE requires TACT—tact in methods of approaching them and in the time of approaching them. The various types of credit-risks, and the various methods of handling their accounts, are described in this chapter*

NO business can be conducted by hard and fast rules; no department reaches its highest efficiency by following a rigid course. Changing conditions and new factors necessitate a policy that may be adapted to meet immediate needs. A good salesman studies each possible buyer before he makes the first advance toward a sale; he “sizes up” the man, his office, his desk, the furnishings, the decorations, the way the man himself is dressed, his attitude—all these things are taken in at a glance by the solicitor who shapes his canvass to fit in with the personality of the prospect. Follow the methods of a successful advertiser and you will find him feeling his way cautiously into the confidence of the class he wants to interest.

And this same policy should be found back of the methods of the retail collector. Ask the successful merchant what is the foremost consideration in making collections and he will probably tell you that it is the mental attitude of the customer. While his first purpose is to collect the

bill, it is likewise essential to hold the buyer's trade. To retain this patronage, it is necessary to consider the customer's attitude towards the house—the psychological effect of debts and duns must be understood.

There are two reasons why the merchant should aim to have accounts settled promptly: in the first place, the house should have the money that rightly belongs to it—that is the only way to do business successfully; and in the second place, as long as the customer keeps his account paid up he feels a certain satisfaction in dealing at the store. He knows that his business is desired, that his purchases will receive prompt attention and that he may depend upon the store's best service.

But if he gets behind in his account he is likely to transfer his patronage to another store. Every credit man knows that it is human nature for debtors to shun their creditors. He knows that a man, although he may be perfectly honest, feels an irresistible temptation to cross over to the other side of the street when he sees another man whom he owes five dollars. And just so the retail customer who is delinquent does his trading elsewhere rather than increase his bill and run the risk of being turned down. So it is not merely the matter of getting in the money, for prompt collections keep the customer's conscience clear and usually assures the continuation of his patronage.

When it comes to writing collection letters, the credit man cannot betray to a delinquent customer the slightest suspicion the account may not be paid. It would be a great mistake to make this an excuse for writing to the delinquent. Retail collection letters are usually based upon one of three reasons for asking settlement. First, payment may be asked merely as a matter of routine—because it is the established policy of the store to require the settlement of all bills at a certain date, frequently the tenth of the month following purchase. In the second place, the letter may take the attitude that it is desired simply to keep the relations of the store and customer straight, and the delinquent is asked to check over the enclosed statement of account and immediately report if the store is in error on any of its charges. And finally the position may be taken that the account has undoubtedly been overlooked and the letter takes the form

of a reminder. The class of customer must determine the language in which requests for settlement should be clothed and the method for following up.

In general, credit customers fall into three classes. First are the buyers whose credentials are just good enough to allow the store to grant them a charge privilege. This class is made up largely of working men whose income is just sufficient to carry them over the border line of safety. These men are generally good as long as they have employment, but a definite limit is usually placed upon their monthly credit, and if they fail to come in "after pay day," a collector is sent out or letters are written making it plain that further credit will be refused unless their bills are met promptly.

Comprising the second division are customers of fair income and ordinary reliability. In this class are listed the majority of every store's credit buyers and they are granted any reasonable concession in time extension because their patronage is one of the firm's most valued assets.

In the third class are the gilt-edge risks—customers whose absolute reliability is unquestioned and whose accounts are considered on the store's books as good as cash. In this class, however, there are frequently a number who are extremely slow pay. Nearly every retailer can tell of people who are living beyond their income, and while they have the property back of them that makes them good pay, "the butcher, the baker, the candlestick maker" are frequently stood off for an exasperatingly long time.

Customers in these three divisions are so different that most merchants have a distinct course of procedure for each class. Ordinarily, statements are rendered on the first of the month, specifying the date on or before which payment is expected. If a customer of the first class lets his bill run a few days beyond this date a letter is addressed to him which is little more than a brief, courteous request for a prompt settlement.

If this does not bring in the money, another letter goes out ten days later. This letter should be more than a statement of delinquency; it should give a reason for asking payment. While it should be very careful not to reflect on the customer's credit, it may ask a settlement solely on the ground of routine or necessity:

Dear Sir:

We are surprised and disappointed at your failure to settle your bill amounting to \$_____ regarding which we wrote you on the 12th. As you know, our terms call for payment not later than the 10th of the month following purchases. As this is an established policy we will thank you to give this your immediate attention.

Very truly yours,

Luci D. Franklin

If two letters fail to bring results or an explanation, the third can take the attitude of injury because of the customer's discourtesy. This form is used by a successful retailer:

Dear Sir:

We have twice written you regarding the delinquent condition of your account, but in neither case have we received so much as a word in reply. Reluctant as we are to believe that you would deliberately disregard a matter of this kind, we still feel that you are not according us proper treatment, in view of the many accommodations we have extended to you in the past. We wish to emphasize the necessity of settling this account not later than the 25th.

Very truly yours,

Luci D. Franklin

The tone of such a letter is calculated not only to impress the customer with the importance of conforming to the store's credit terms, but to suggest that continued neglect may result in the withdrawal of his charge privilege. While this letter contains no specific warning, it is usually sufficient to bring in the customer unless he is a "fly by night" who trades up to the limit with one merchant and then opens an account at some other store.

Few retailers carry collection correspondence with this class of buyers beyond the third letter. As the accounts are all local it is much better to send a personal collector to get either the money or an explanation of the delinquency. If a fourth letter is used, it is little more than a notification that the

store feels warranted in taking more drastic measures to enforce the payment. For the store's own protection, it is usually advisable to get busy with the "big stick" before the debtor leaves town—men of this class usually move as soon as their credit is exhausted—for men who do not respond in some way to the first three letters are of no further value as credit customers.

Greater leniency and consideration, however, will mark the handling of the second class, the ordinarily reliable customer. Here, too, a simple memorandum of delinquency is sent to the debtor a week or ten days after the bill matures, or a second statement is mailed out the twentieth of the month, requesting immediate attention. A great majority of customers, accustomed to paying all bills monthly, need no further reminder. If the second statement or reminder does not receive attention, a letter should suggest the necessity of some response. For example:

Dear Sir:

The fact that we have not received a reply to our recent statements regarding your account, forces us to believe that they must have been overlooked. Or, have you some particular reason for delaying payment? As you will note, this account is now considerably past due, and whatever the reasons may be, we would request that you advise us just as soon as possible that we may know definitely what to depend upon.

Very truly yours,

Luci D. Traub

The trade of this class is always to be retained if possible and no arbitrary action should be taken until the delinquent has been given every opportunity to pay up. Another letter should make clear the firm's position somewhat in this manner:

Dear Sir:

We are at a loss to understand why we have had no response to the various letters we have written you regarding your account. It has been our endeavor to accord you every consideration and yet to impress you with the importance of attending to your account. You must appreciate the fact that neglect of this bill and your failure to make any satisfactory explanation will inevitably reflect adversely on your credit standing.

Will you not give this matter your immediate attention, sending us a remittance that will cover at least part of the account if you are unable to make the entire payment at this time?

Expecting to hear from you promptly, I am

Very sincerely yours,

L. L. Lawrence

It will be observed that all of these letters are very brief. It is a mistake to make them otherwise. To go into details and lengthy explanations not only wastes time but it is certain to detract from the dignity of the firm's attitude and to indicate anxiety on the store's part lest the account might be lost. Nor is there any use in addressing more than four statements or letters to the ordinary debtor. When the delinquency reaches a point where arguments or veiled threats are necessary to secure a settlement, or warnings that legal steps come next, they can be made much better and more effective by a personal collector than on paper.

When a customer's delinquency reaches a certain point, a personal talk in the credit man's office or with the proprietor of the store will accomplish more than any number of letters. For this reason a ruse is sometimes employed in large stores solely for the purpose of getting the buyer into the presence of the credit man. In one store the closed account scheme is used. A woman whose account is considerably past due and who has failed to respond to two or three letters, comes in and buys a small bill of goods. The ticket goes up to the credit department and comes back with advice that the account has been closed—evidently at her request. Immediately she flies to indignant protest—cue for the floor walker's entrance. He suggests at once that she go personally and see the credit man—no doubt there has been some mistake—she can straighten it out.

She goes—and the credit man gets the opportunity which he wanted. It is his turn to protest now—and to apologize. The account seemed to have been closed two weeks before, evidently at her request; it was somewhat overdue—he had supposed, of course, that possibly she wanted to refrain from further buying until she had caught up or that she had some other reason, but evidently it had all been a mistake; it would be re-opened at once and today's purchase passed through.

Before the customer leaves the office, however, she almost invariably makes a definite promise to pay up the back account at some specific date—which is just what the credit man wants. He brings her to his office, secures a specific understanding as to settlement, and the memory of the little session is sure to have a good effect on the payment of future bills.

Application of the collection process to the "good as gold" class differs from that used on the second division, chiefly, in that almost any reasonable extensions are granted. And when an account is permitted to run for some time, five, six, or even seven letters may be written before a collector is sent out or strenuous measures are resorted to. While the financial ability of people in this class prompts the store to be very liberal with them, still, not even good accounts can be neglected indefinitely for the monthly purchases are usually large and one such account may involve more money than those of a dozen ordinary customers. A merchant would soon have his entire capital tied up in book accounts if he neglected such collections altogether.

The first three letters to a gilt edged customer should be similar to those addressed to the second class. A fourth, however, may ask if there is any misunderstanding of the account, or it may request a partial settlement.

While a merchant should never make the plea that he is "hard up" he may set forth some plausible reason for requesting an immediate payment, such as the making of extensive improvements, building an addition, establishing a new department, or a desire to discount his bills on an unusually large purchase of goods. While such appeals would not be advisable in the larger cities, they are effective in the smaller places and do not reflect on the standing of the dealer.

In this class are many women who have no appreciation of the necessity of regular payments and frequently they are people of such social standing that they have no fears of the store's taking radical action against them. They are all perfectly able to pay and the chances are a thousand to one they will pay eventually. Under the circumstances, the credit man, or the merchant, if he handles such accounts himself, must call tact to the rescue and show no small degree of patience. Letters are employed more as suggestive reminders than as actual collectors. By the time the average customer has received five or six courteous letters, he is usually moved to make some response.

Too much latitude in the extension of credit and too great laxity in the collecting of bills result in more failures in the mercantile world every year than any other one cause. Retailers are gradually waking up to this fact, and many are taking the stand that no customer's trade is so desirable that it will pay to carry an account on the books for six months or a year. The strenuous competition in most cities and the narrowing margin of profits on all lines of goods, make it necessary for the successful merchant to look well to his collections. This condition has led, in many cities, to the organization of business men's associations or credit associations for the purpose of disseminating information on the credit experiences of the different business men. In many places, every resident of the town is rated, and the rating lists are periodically revised. A secret code of letters or numbers give the standing of a citizen as good pay, slow pay, or not entitled to credit. Such an organization prevents a man from straining his credit to the snapping point with one merchant and then going to another merchant, and so on, until he has "gotten into" every dealer in town.

Where such organizations are known to be active, there can be no more effective letter to the delinquent than to inform him that the account will be turned over to the association to handle in such way as it may deem best. In one town, rubber stamps are furnished to the members to use on statements, advising the recipient that if the account is not settled at a certain time it will be handled by the association. The very vagueness of this threat proves effective. The individual does not know what may happen to him—he may be sued, he may be blacklisted, he may be discredited in the community—and this uncertainty is effective when other means of collecting accounts have failed.

In the average-sized town where the merchants know their customers personally, the collection letter makes an appeal that is specifically aimed at the delinquent, and in all cases the retailer will strain a point to grant accommodations which will retain the good will and patronage of a customer. But no consideration of future trade will justify so much leniency in the matter of collections that the merchant's own credit is likely to be affected.

How To Make INSTALMENT COLLECTIONS

INSTALMENT accounts differ from ordinary accounts in that “future business”—that bugaboo that hangs over the head of every credit man—is not a primary consideration. The retail customer who makes a purchase of a set of books, for example, on the instalment basis, must be handled by methods that are peculiar to that class of buyers, and must be followed up even to the POINT OF RE-SELLING THE GOODS, if necessary, in order to meet possible efforts to postpone payments. On the following pages are illustrated the methods by which these conditions are met

LETTERS written to collect instalment accounts are different from commercial letters because the future business is seldom to be considered. The sole problem is to get in the money; retaining, if possible, the good will of the customer. And to be a good instalment collector, one must be a good salesman as well. For the easiest way to get in the money is not to talk moral responsibility or legal obligation but to re-sell the article—make the delinquent satisfied with his purchase, so he will want to keep it.

Before one can write a collection letter that may be expected to pull, he must consider the appeal to be made, the position of the man to whom it is written—not always as an individual, but as a class. The dealer, for instance, is the chief source of the wholesaler's and the manufacturer's business—he always represents potential trade. Therefore, he is to be encouraged and looked upon as a buyer, not as a debtor.

The retail customer occupies a somewhat different position. To the retail credit man the problem is one of keeping the customer in the right mental attitude toward the store; to get the money, of course, and to guard against that tendency to shy, which an overgrown account is certain to develop.

Consider now the instalment buyer: why does he purchase on small payments? What is his frame of mind toward you, the man of whom he buys?

If he purchases clothing, furniture or other merchandise that can ordinarily be obtained at any retail store, he is unquestionably buying on instalments simply because he has not the money to pay cash. He comes to you because you offer him long-time credit—a concession he cannot get elsewhere. He is, therefore, under more than the ordinary obligation to pay. He is under a double obligation to respond promptly to any reasonable request you may make.

On the other hand, there are some purchasers who buy articles on small payments, when they could well afford to pay cash, because of the convenience it affords or because they want the article to "pay for itself." In such cases, the transaction is not so much a matter of needed credit as of obligation assumed, and the buyer usually makes his payments at stated times according to the terms of his contract.

Collection letters to any instalment buyer will appeal either to the purchaser's honor—his willingness to recognize Golden Rule principles; or his obligation to do what he has agreed to do—to carry out his contract; or rekindle his desire to keep the article or merchandise.

Every concern selling goods on the instalment plan should keep the debtor from falling behind more than one payment. If the debtor falls behind two payments, the account is just that much harder to collect; and if three instalments come due, it is necessary to take some decisive action in order to bring in the money before the debtor gets hopelessly behind.

In no other class of collection work can form letters be used so effectively. This is because instalment sales are on a uniform basis and debtors may be classified, but there is danger of falling into a form-letter routine and missing many collections that strong, personal letters would bring in.

If a customer does not make his payments with the usual promptness, a second statement is invariably sent him. It is

marked "Second Notice," and if this does not bring a response within ten days or two weeks, a letter is sent calling attention to the fact that the account has probably been overlooked. Usually emphasis is made of the importance of keeping these instalments paid up promptly.

One instalment house uses this letter for the first reminder:

Dear Sir:

We wish to call your attention to the fact that the payment of \$50 on your account is now past due and we will thank you to remit this amount at your earliest convenience.

It will be appreciated if you will send us your check for the overdue payment and we are sure you will find it to your advantage to see that future installments are paid promptly each month.

Very truly yours,

Morton & Morton

If a courteous letter like this does not bring the money or a reply giving some reason why the payment has not been made, a second letter should be sent out in ten or fifteen days; more urgent in tone, cautioning the debtor against the inconvenience that the accumulation of instalments may cause, and bringing the matter to a head by insisting on payment by a certain date.

One house, selling to business men, gives the promptness and regularity it expects, a specific application in this manner:

Dear Sir:

You undoubtedly have our last letter somewhere on your desk and you have been expecting to send that check at the first opportunity but each day the matter has slipped your mind. Now, let us make two requests: Make a memorandum on your calendar pad of the other payments so they will come to your attention each month; and send us a check to cover the past due payment today. Then we will have no occasion to trouble you with reminders in the future.

Very truly yours,

Charles B. Clark

This short reminder is usually sufficient for the business man to whom it is directed. There is not the slightest suggestion that the letter is more than a reminder or that the house is beginning to worry about the account. Most instalment houses send out a third letter, similar in tone, but a little more insistent, emphasizing the favor shown in permitting the payments to become long overdue, and appealing to the customer's sense of honor and fair play. Here is an effective letter of this type:

"Certainly it is most unusual to give a definite promise to pay, and then allow your instalments to become long past due without making any endeavor to take care of them. We have relied upon your word. Would it not be fair to at least tell us if there is some reason why these payments have not been met as agreed? Kindly let us hear from you immediately."

It is probable that by this time the delinquent has replied, stating his complaint or giving his reasons for not continuing the payments, and the collector can then shape his letter to dovetail into the angles presented by the particular case. And this should always be done, for thousands of accounts are lost annually because customers who might have been coaxed back by a personal letter have been riled by blunt, or threatening, or sarcastic form letters. A great many collectors have a uniform policy of sending out two or three reminders and then they proceed to "put on the screws."

The wise collector, upon learning the cause of non-payment merely alludes in the most indirect way, to the iron hand; he throws himself heart and soul into the overcoming of objections with arguments and persuasion—salesmanship. The indifferent or dissatisfied customer must be re-sold. The successful instalment houses are those that develop just as much cleverness in the collection department as they do in the sales department. Threats give way to selling schemes and plans for re-interesting the customer. Different arguments and different lines of approach are devised, tested and developed just the same as with selling letters.

A publishing house, selling a historical work on instalments, tries to answer fully the objections that are made. Here is a typical letter:

Dear Sir:

Your feeling of disappointment in the Romance of American History is due, I am positive, to the fact that you have not had time to read the books or look them over carefully. The worth of a historical work cannot be appreciated immediately--its value is cumulative. Every year you will get more out of it--more satisfaction and more knowledge.

Your boys will soon be old enough to read these books. It is a duty you, as a father, owe to them to put the best literature within their reach. The elaborate illustrations will interest them; the romance of American history will fascinate them; every page will give them information about the development of the country's resources, its industries and its civic institutions--knowledge that will be almost invaluable in meeting the larger problems of life.

The children of today will be the men of tomorrow--the importance of the position your boys will occupy will depend on the preparation you give them and there is probably no greater influence in their lives than the books they read. What does \$5 00 a month for three months mean to a man like yourself when compared to the satisfaction you will have in knowing that you are giving your boys the best literature that money will buy?

Look over the table of contents again, see the wide range of subjects touched upon--subjects of practical, everyday value.

While we could force you to live up to your contract we don't want to do that. We want you to keep these books because you appreciate their worth, not only to yourself but to your family. We want you to feel glad that these books are on your table--books that you will take satisfaction in loaning to your neighbors.

Does this not appeal to you? Will you not decide NOW to keep these books and send us a check covering the first month's payment?

Very truly yours,

L. L. Lawrence

Before writing this letter the correspondent learned from the sale record that the buyer was a lumberman in a small town--probably a man who did not care much for books of this character. The record showed that he was married and had three children. His letter contained no specific objection--he wasn't interested in the books, he didn't have much time for reading and his boys weren't old enough to care for them. From this

the correspondent took his cue; deftly he wove the argument around the boys' education—the one point he rightly guessed would strike home with the father. He cleverly wound up with a reminder that collection could be forced and while there was no suggestion of a threat, between the lines could be read a message that was more effective than a direct demand to "pay up." The letter called forth an immediate remittance because it had been accurately aimed; it re-sold the set of books.

Every instalment house recognizes the desirability of a cash-up proposition if three letters fail to land a payment. Practically all instalment contracts have the provision that if two instalments become overdue a firm may demand either a return of the goods or payment of the whole remaining purchase price. Of course the firm prefers to collect the money, and so much more preferable is this course, that to bring in the cash new inducements are offered.

These inducements may be either in the form of a cash discount or an offer of some additional article free for an immediate settlement. Here is a letter that is used to get the cash from delinquents:

Dear Sir:

You have violated your contract with us and have failed to give our repeated statements, notices and letters regarding your delinquent account business-like attention. You have even denied us the ordinary courtesy of replying to our communications. Naturally, this would lead us to but one conclusion--intent to evade payment of the obligation.

As you know, this is a binding obligation; but before turning it over to our legal department for collection, I am going to make one more effort to reach an amicable settlement. I am going to make it to your advantage to take care of this account right away. Your balance is \$24. If you will send me a check covering this amount, I will send you absolutely free (we will even pay express charges) a copy of the American Popular Dictionary. This is a volume of 676 pages, giving the proper spelling, pronunciation and definition of more words than any other dictionary of similar size that can be bought at any price. It contains simplified rules of spelling, a summary of the postal laws, tables of weights and measures, a complete list of the foreign words and phrases commonly used in social and business correspondence--thirty-seven pages of specific information which everyone should have at hand for quick reference

This book is bound in flexible leather cover and thousands of copies have been sold for \$4.50. We have only a few copies of this book available and if you desire to take advantage of this remarkable offer, it will be necessary for you to send your check immediately.

Don't go to any trouble--simply mail your remittance with this letter in the enclosed envelope and as soon as it reaches my desk, the book will be shipped.

Remember the time limit on this offer and remit now.

Very truly yours,

W. O. Williams

If this offer is not accepted, the only recourse is to turn the account over to an attorney or an adjustment bureau.

Many instalment houses maintain a collection bureau of their own, operating it under some impressive name, such as the National Mercantile and Adjustment Agency or the Central Adjustment and Collection Bureau.

There is nothing to indicate that this bureau is connected with the house, and impressive letterheads give emphasis to the organization's ability to collect accounts "where others fail." The first letter sent out by a collection agency reads in this way:

Dear Sir:

The Johnson Home Furnishing Company of Chicago has placed with us for adjustment, your account amounting to \$48.30. As we wish to afford you an opportunity to make an amicable settlement, we should like to have you advise us fully by return mail your reasons for not taking care of this obligation. We judge that it is simply an oversight on your part and your prompt attention will save both of us the embarrassment of having this matter taken into the court.

It is hoped you will appreciate this courtesy and that this letter will meet with a prompt response in the way of a remittance, or some definite statement as to when a settlement can be made.

Very truly yours,

RAIL COLLECTING BUREAU.

If no reply to this letter is received within two weeks, this second letter is sent out:

Dear Sir:

We are surprised that no response has been received to our letter regarding the account recently referred to us by the Johnson Home Furnishing Company for collection.

It would seem to us that you would think too much of your local credit standing to allow this small item to be referred to our local correspondent in your city, so we are delaying the bringing of suit in this matter, simply to give you one more opportunity to arrange for an amicable settlement. However, unless some satisfactory understanding is reached within the next fifteen days, we will instruct our attorney in your town to take immediate action to force payment.

Very truly yours,

HALL COLLECTING BUREAU.

Sometimes a third letter is sent out, but usually when the correspondence has reached this stage and fails to bring results the account is turned over to an attorney for collection.

There are serious objections to this course, however, for attorneys are not much interested in small collections and an entire follow-up system is required for keeping track of an account.

ESTABLISHED 1910	GENERAL OFFICES, 385 BROADWAY, NEW YORK	INCORPORATED 1916
NEW YORK CHICAGO PHILADELPHIA BOSTON BALTIMORE	THE HAMILTON COLLECTION AGENCY	CINCINNATI ST. LOUIS KANSAS CITY LOUISVILLE CLEVELAND
PROTECTS TRADE, COLLECTS DEBTS, REPORTS DELINQUENT DEBTORS		
TO _____		
DEAR SIR: PLEASE REMIT DIRECT TO THE UNDERSIGNED, OR CALL ON THEM AND SETTLE (NOTE OR BILL) _____		
AMOUNTING AT PRESENT DATE (PRINCIPAL AND INTEREST) TO \$ _____		
BY SETTLING THIS AT ONCE YOU WILL SAVE US THE TROUBLE, AND YOURSELF THE EXPENSE AND EMBARRASSMENT OF HAVING IT PLACED IN THE HANDS OF THE ATTORNEY OF THIS AGENCY FOR COLLECTION.		
_____ MEMBER OF THE HAMILTON COLLECTION AGENCY		
DATE _____ 19____	STREET AND NO. _____ CITY _____	

Form used by a "house" collecting agency as a last resort before bringing suit

Comparatively little is collected, because of exemptions, removals and other causes, and when a collection is made the attorney gets a large per cent of it.

So the threat and the lawyer are being discarded by many instalment houses in favor of the cash-up inducement and the re-selling plan. The fact is becoming more evident that if an account is collectible at all, other means can be devised, more expeditious and more effective than through legal steps.

The man-to-man appeal reaches many who are immune from the debtor's court and it gets action from those who are simply negligent or "stalling" to keep from paying the balance just as long as possible.

One clever collector by mail has had remarkable success in bringing in the money on small accounts, that were almost hopelessly delinquent, by an appeal made on the basis of "Now we understand each other, let's be square." It is a man-to-man method that gets many a dollar that threats would never pull. Here is one of his best letters:

Dear Sir:

"Huh! Another dunning letter! Those people needn't be so nervous. They'll get their money--sometime."

That's probably what you said when you saw this letter. But instead of tossing this aside for "tomorrow" or junking it altogether, just stop this time and consider US for a moment.

We don't like to write dunning letters any better than you like to get them, but you see you have a little of our money--\$6. That isn't much and of course you intend to pay it.

But let's square this thing up NOW. Don't read another letter until you have wrapped your check in this one and mailed it back in the enclosed addressed envelope. That will just rescue your name from our "unfair" list and you don't know how much we will appreciate it.

Very truly yours.

Adams & Adams

After all, success in collecting instalment accounts is largely a matter of understanding your customers and concentrating your efforts so as to keep them from getting behind. It

is far more difficult to collect two instalments than it is one, and the further behind a customer falls, the less profitable his purchase becomes to you. Early persistence is better than later sacrifices.

If a man falls behind in his payments it is not only harder for him to pay up, but with each passing week he loses his desire to go on with his contract if there is any way of avoiding it. The man who is satisfied with his deal will either keep up the payments or make some explanation that will lead to further concessions as to time.

But if the man falls behind, get him to reply by some clever question, get him to state his objection and then re-sell him. Bring new selling arguments to bear; overcome his objection by arguments, proofs, persuasion; make him want to keep the goods; make him willing to continue the payments.

A mail-order specialty house, selling on instalments and allowing a free trial of the goods without an order deposit, has worked out a highly satisfactory collection system. While this method might not be adaptable to all businesses, it has reduced the collection losses to a very small per cent for this growing concern.

At the expiration date of the trial, a letter to the purchaser expresses the hope that the goods have proved entirely satisfactory and attention is called to the fact that under the terms of the contract, which was properly signed and recorded, the first payment is now due. The letter adds that in case there has been any delay in the transportation a report should be sent at once, so that an investigation can be made.

About a week before the second instalment becomes due, in case the purchaser is still in default, a little additional severity of tone is adopted. This second letter opens with the statement that according to the terms of the contract, which the customer signed, the first payment on the goods is overdue and must be taken care of at once. Then, to make the urgency of the payment a little more forceful, the letter adds:

"In fact, you will notice by consulting the duplicate contract you hold, that the second instalment is nearly due. And since this second instalment date is so close, we hope you will find it convenient to mail this payment along with the first."

In case no reply is received to this letter within five days, a plain statement is sent out, stamped in red ink "Overdue," and with the typewritten sentence underneath:

"Won't you take care of this payment at once? We are balancing our books at the present time and we want to check up your account."

Again five days are allowed to elapse and then another statement is sent which also bears the red-inked stamp, "Overdue," and in addition this typewritten sentence at the bottom:

"Won't you tell us if there is any reason why you should not pay this first instalment at once?"

After another five days have passed, the second payment has become due and although no harsh measures for collection have been hinted at, it has been found advisable, at this point, to adopt the "*must be paid now*" attitude. So a threat is made that usually strikes home. Two schemes for accomplishing this have been tried with almost equal success. If the record of the sale indicates that the customer is a person who might dislike notoriety, this letter is sent:

"You don't want to force us to write your friends in this matter. It would be embarrassing to you. But we must know why you pay no attention to our letters--we must find out something regarding your work and your financial condition, that we may know just what the chances are of your paying for the goods you bought. You will compel us to ask your references and friends to get this information unless you give us a definite date when you will take up this matter. We will wait five days for your answer before subjecting you to treatment which seems to us rather severe, considering the small amount of your obligation."

If no reply has been received to this letter the purchaser is placed in the "last resort" class. A letter of this kind goes out:

"As you possibly know, we are members of a Merchants' Credit and Trust Association, which aims to keep all merchants and mail-order houses informed as to the credit of all persons who buy goods on time. This association extends everywhere--even to the little stores in the country. Its purpose is to assure safety in allowing credit to any persons seeking it. By our promises to this association, we are compelled to make a report on all persons purchasing goods, and this places us in an embarrassing position regarding your case.

"We don't want to report your credit as BAD, and thus cut you off from any possible credit in future from merchants all over the country as well as from mail-order houses--because your account is too small to warrant such a disastrous course. Besides, we feel that perhaps it is not a lack of willingness on your part to pay, but rather some extenuating circumstances that make it impossible, temporarily, for you to handle the account. By your failure to answer any of our letters, you are simply compelling us to make this report, while in reality you probably are willing to pay as soon as you are better fixed financially. So we are inclined to wait a few days--to hold the report over until the 12th, believing that you will tell us just what the trouble is rather than force us to take this step."

If no reply to this letter is received it is safe to assume that the customer needs tracing, for if a man is stalling he will fix up some excuse to offer, for by so doing--which is what he wants, he plays for time.

A second method is used where the sale record indicates that a reference to legal steps might strike the delinquent with fear.

After the second instalment has lapsed for some time--long enough to indicate that the purchaser is not desirable as a customer, so the only thought is to get in the money, a letter of this nature is mailed:

"We don't want to adopt stringent measures to collect this small account--we don't want to put it in the hands of the legal department, unless you force us to do it. But that is just what you are going to do, unless you answer our letters and tell us what the trouble is within the next ten days."

When this letter fails to get the reply, a letter written on the stationery of the Legal Department is sent out bearing the simple statement:

"Your account has been placed in our hands for collection. As you must know, it is just as disagreeable to us as it is to you to force a settlement. So we want to avoid harsh methods until we are absolutely satisfied that you are unwilling to pay. If there is any reason for not closing this account at once, we will expect you to tell us within the next eight days."

Failure to get an answer to this letter is taken as evidence that last resort measures must be adopted. So the next letter aims to strike fear to the purchaser's mind from a different angle. Extreme tact is essential to the wording that goes into it. Here is one that has been used to good effect:

"You must know the Government Laws regarding the use of the mails for fraudulent purposes. The government accepts no 'ifs' or 'ands' as an excuse--it punishes where justice should be dealt. No man can expect to violate the federal laws without suffering the consequences. We have your signature on the returned duplicate of invoice--it is regular. Our side of the sale has been straightforward and honorable. Can you say as much? What do you think the signed invoice, we hold, must indicate to us? We'll tell you. It indicates an evident intention to obtain goods under false pretenses through the use of the United States mails. This is a penitentiary offense. While we feel that to pursue the course laid out for us on such a small account would be harsh--inasmuch as there may be some mistake--you will force us to commence an investigation. Unless we hear from you within the next six days we will be compelled to start the machinery of investigation."

In case the account is large enough to warrant it, this investigation is actually started after a reasonable lapse of time, since it is safe to assume, that you are dealing with an irresponsible person who is immune to ordinary threats. But the purpose of this entire series of letters is to approach the delinquent from different angles, one of which is likely to touch a tender spot, and experience shows that most men can be worked in this way. The justness of the debt and the uncertainty of the consequences if the threats are carried out brings most delinquents scurrying to cover.

How PETTY ACCOUNTS are *Collected*

THE SMALL ACCOUNT *that becomes overdue is a common form of annoyance and often of actual loss to the house. The time and money spent in forcing a delinquent to pay may eat up the profits of several good accounts, and it not infrequently loses a good customer. In order to handle these petty accounts profitably, the manner of collecting them must be REDUCED TO A MATTER OF ROUTINE that requires the minimum of effort and expense. How to do this, yet to give each collection letter the appearance of a SPECIAL and PERSONAL COMMUNICATION that is not offensive, is the aim of the shrewd credit man and collection manager*

TRIVIAL accounts, accounts too small to receive more than the merest routine attention, are often the cemetery for profits. These accounts are peculiar to certain lines of business and present a perplexing problem, for the time required to collect one account personally will frequently wipe out the profits of half a dozen other accounts.

Many houses nominally doing a cash business are compelled, as a matter of occasional courtesy to patrons, to charge little items on the will-pay-in-a-day-or-two basis. Other houses, such as music stores, make a regular practice of charging small items, like sheet music, purely as a matter of accommodation. A good many newspapers and magazines find it profitable to bill

LETTER NO. 1

My Dear Sir:

You will find enclosed a statement of account showing balance of \$10 due us.

In dealing direct with the smoker the accounts are necessarily small and of great number, and I cannot therefore afford to be at much expense for collection. I hope you will take this into consideration and that it will be convenient for you to make me an immediate remittance covering this small amount.

I not only wish to save myself the trouble of forwarding another statement, but I am quite as anxious to save you the annoyance of receiving another reminder.

Sincerely yours,

Harry L. Peck

LETTER NO. 2

My Dear Sir:

I am enclosing another statement showing a balance of \$10 in my favor. I believe you have been urged once or twice before for payment on this account, and I do not write this letter so much to urge you again for payment as I do in hope that we may arrive at an adjustment of the account, which will save both you and me further annoyance in such a small matter.

I am putting my cigarettes upon the market strictly upon honor, and depend upon their being so good that everyone who gets them will want to pay for them. If this is not the feeling in your case, however, and you will write me a line stating that you do not wish to pay the account, I will cross it off with perfect good will, but of course I would rather have the money.

Sincerely yours,

Harry L. Peck

LETTER NO. 3

My Dear Sir:

I hope that the gods will be propitious when you open this letter and that the warm spot, which I know is in your heart, will induce you to write your name at the bottom of the enclosed slip, and fill in the name of your bank above, or else send me some other form of parchment that will be equally negotiable.

Really, I am afraid if you don't pay this amount very soon, you will forget how good the "smoke" was, and how much you enjoyed it. There were 125 of these little smokees you know, and every single one of them must have brought you some enjoyment. Just think of it--125 times some enjoyment; what a lot of joy. I don't know after all whether \$10 will pay for it all or not, but send along the \$10 anyway.

Sincerely yours,

Harry L. Peck

LETTER NO. 4

My Dear Sir:

I wish to express to you my deepest sympathy in your trouble. I suppose there are a few fortunate people who go through life without getting "up against it," but I am not one of those, and therefore I can fully appreciate your unfortunate situation.

There are many kinds of trouble, but it would be hard to imagine anything much worse than inability to pay a smoke bill of \$10.

Sincerely yours,

Harry L. Peck

A mail-order firm, selling cigars on credit, finds few customers who cannot be reached by one of these letters

subscriptions on trial, and news dealers conduct a business that is made up entirely of petty accounts that are payable monthly. Then there are the telephone companies collecting their rentals monthly. Newspapers that accept classified advertisements by telephone or by mail also have a petty account problem to deal with and nearly all drug stores and retail merchants have some petty accounts on their books—accommodation business on which the small margin of profit necessitates bringing in collections at the minimum expenditure.

All of these accounts are alike in three things: first, the debtor generally forgets all about the bill or he neglects to pay it because of its very triviality; second, this forgetfulness or neglect, usually, is the sole obstacle in the way of collection; and third, the collection "attack" must be right at the point—getting the customer to act at once—to pay in cash instead of good intentions.

The first letter must be a reminder, nothing more, but giving enough of the details of the transaction to bring it back clearly to the mind of the customer so as to get the money without any delay or expense for explanation. Frequently a regular bill is sent giving sufficient data to bring all the facts regarding the transaction to the mind of the customer.

A music house in Nashville brings an account to the attention of the customer in an effective way with this informal note:

"Unless you are likely to be in the store in the next day or two, will you send our cashier check or currency for \$___ to take care of the little charge of sheet music which you purchased the other day?"

There is none of the jar of a typical collection letter about this note—it is more of an appeal for a reciprocation of courtesy extended: we extended a courtesy to you in charging this little purchase, will you not now extend a courtesy to us by sending over the money right away?

First letters, while maintaining the cordial tone necessary toward desirable trade, invariably fix a short time limit for payment, fixing attention on the necessity for immediate action.

Following the first letter or statement, a second statement is frequently mailed out on which is printed or stamped in red ink an attention-getting notice:

PAST DUE!
*This account has, no doubt, escaped
your notice. Please favor us with
a remittance by return mail?*

Another music house in an Ohio city asks every customer to put his initials on sales checks where the goods are not paid for at the counter, and then uses this as a lever for prompt collection:

"The I. O. U. which you gave us to cover your purchase of yesterday is held by our cashier. You may redeem this at your convenience any time before next Saturday.

"We carry no charge accounts but are always glad to deliver small items on memorandum, asking only that they be taken care of before the next week-end."

Offense cannot be taken at this procedure and yet it impresses upon the customer in a very vivid way a small obligation that he might otherwise neglect.

Such a letter as this is used only by houses doing essentially a cash business. With concerns that make a practice of charging purchases, the collection approach must be different, but still turn on some suggestion for immediate payment. A book publisher who sells a \$2.00 book on a five days' approval basis, writes:

Dear Sir:

The five days agreed upon for the examination of the Mechanic's Hand Book have gone by and we know without even asking that the book has already made itself almost indispensable to you.

Will you now close the transaction by remitting the \$2.00 in whatever form is most convenient for you?

Fold a \$2.00 bill in this sheet if you like and mail it back in the addressed envelope enclosed--we will take the risk of loss if it is mailed at once.

Very truly yours,

Smith and Jones

These letters are all short—an essential quality not only in first letters but in all the letters of a series intended to collect accounts of this character. Anyone who has a trivial purchase charged, resents having it treated as a serious matter, so that a short, crisp note making the one point of “pay now” is essential.

One Chicago house, which handles a large number of petty accounts, combines the idea of novelty with that other element of appeal—the “you” element. This second letter runs:

Dear Sir:

You doubtless have our last letter on your desk somewhere expecting to give it attention as soon as you have a moment to spare.

We certainly do not wish to seem unduly insistent about so small a matter as this little account but you, as a business man, will readily appreciate OUR position. If we are called upon to spend even postage to collect each of these small bills, it really works a hardship upon us. Therefore we ask you to send us TODAY check or currency for the above amount.

We know you will cheerfully comply with this request and then we shall not have to trouble you again with reminders.

Very truly yours,

Anderson & Anderson

At the head of this form letter is a space for the amount of the bill, which makes the letter very easy to fill in.

The third letter on these accounts is bound to assume a tone of greater seriousness. In fact, it must make plain that the creditor has a grievance against the debtor for not having paid attention to the preceding two reminders.

Men who have been successful in collecting these petty accounts agree that the stereotyped formal note asking for payment is not effective. So the collector must seek for originality; he must cudgel his brain to find new avenues of approach, new phrases for his appeal. In the second letter it is especially desirable to introduce the element of novelty. If an account has been neglected for several weeks, a dry reminder that "you haven't paid yet" is not likely to extract the money.

One firm combines a statement of its grievance and a review of the facts in connection with the account, so that there may be no possible misunderstanding in the mind of the customer of exactly what the account is for and why it should be paid without further delay. This letter reads:

Dear Sir:

We have twice reminded you as politely as we know how of your account amounting to \$7.50.

Do you not think it is rather unfair to cause us to write several letters in order to collect this trivial little bill, especially in view of these facts:

1. We delivered these goods to you at your store without payment as a matter of especial accommodation to you.
2. You were at perfect liberty to return the goods and have the charge canceled had you so desired.
3. You have not returned the goods or indicated any question as to the correctness of the charge, and,
4. We naturally expect accommodation charges like this paid promptly upon request. Certainly we do not anticipate having to write three letters to obtain settlement.

We fully appreciate that this item is very inconsequential from your point of view, but it would really help us greatly if you would dispose of it now by a prompt remittance, not because of the amount involved so much as the handling which each one of these small accounts require.

Very truly yours,

Wallace E. Lee

The last paragraph is intended to relieve, somewhat, the smart left by the sting of criticism. The letter usually ends with a request for a check before the end of the week.

If a fourth letter is used it must contain a mild threat that the next step is to turn the account over to a collection agency, or something of that kind.

This note may be a very short one, or it may dwell at some length on the regret experienced in having to enforce payment of such a trivial account. Usually every firm has an established policy regarding this fourth letter according to the nature of its business.

Unless it is the intention to turn the account over to a collection agency, it is best to frame the fourth and final appeal in a persuasive tone rather than as a final demand.

One house uses this persuasive appeal in its fourth letter:

Dear Sir:

You don't like to get dunning letters.

We don't like to write them.

Already we have written you three times regarding this little account of \$7.50. That's too much, isn't it? Too much bother for you over such a trifle--too much bother for us to get what belongs to us.

Of course, you are going to pay this amount soon--but if you please, we'll take the money now as it's past due.

Now, do the square thing. Don't let this sheet out of your hands until you wrap your check in it and mail it back in the enclosed addressed envelope, so that we will not be put to the unpleasant necessity of cutting you from our list of those who are entitled to credit accommodations.

Very truly yours,

Wallace E. Lee

Many firms, whose business is made up largely of small accounts, find it necessary at times to wield the "big stick."

One of the effective ways is to send out letters written on the stationery of their own lawyer or in the name of a house collection agency, as previously described.

Some concerns feel that this course is undignified but many of the largest newspapers, telephone companies and news dealers in the country maintain adjustment bureaus for this purpose.

Collection managers are always seeking some scheme for handling these accounts without the necessity of filling in and addressing individual form letters. An eastern publisher has devised a series of collection slips which are used in the collection of subscription accounts. These slips of paper are of uniform size, made to fit an outlook envelope. They are gotten up in rather attractive style so as to be pleasing to the eye. The whole series may be filled in by carbon copy process immediately after the order is entered. This publisher writes the name and address and the amount of the bill on the five collection slips, which constitute the series, at the time he makes out the bill. Each slip contains a distinct collection appeal and the results the publisher has obtained from this method of collection are fully as satisfactory as the more individual appeal contained in the form letter and it is a much less expensive method of handling the business.

This publisher's collection manager has come to the conclusion that the form letter is now so generally known and recognized, not only by men in business but by everyone else, that its old time force as a dictated communication is practically lost; and he has found that whatever advantage there may be in this factor is more than offset by the novelty of the scheme which he uses, and the appeal of the novelty itself on the minds of the debtors. Everyone likes a good scheme—a new idea—and this is recognized as such. The large returns from these collection slips are perhaps as much an expression of appreciation of the scheme itself as a response to the request for payment.

Just as a good salesman is forever searching for new schemes, new ideas, new angles of approach, just so the collection manager "sweats blood" in trying to think up new schemes for bringing in the money. Persuasion is effective when given a new angle. The element of novelty is an account-saver. Schemes, new ideas, new methods of approach, new appeals—these are the vehicles that bring in the money and retain the good will of the customer.

Collection SCHEMES for Use When *Other* Methods Fail

THE USUAL *methods of inducing delinquent customers to "pay up" sometimes fail. In such cases the collector must resort to exceptional tactics; he must use whatever weapons the exigencies of the occasion demand. But he must never lose sight of the main object of his activities—to COLLECT THE CASH. The very novelty of his plan of attack often wins out when other schemes prove ineffectual. Here are FIFTEEN SCHEMES that are employed by some of the cleverest collectors in the business*

TIMES come in every credit man's experience when the old methods fail. Hard-shelled debtors manage to pass every guard of precaution, and set themselves down with seeming immovability upon the firm's books. Chronic delinquents manage to get past the border-line of credit. They are proof against all ordinary collection methods. Trained upon them, statements and second notices fall without effect. The cleverest letters lose their pulling power.

Such debtors must be grouped into a class by themselves. They are subjects for the credit man's ingenuity. And it is for these that unusual collection schemes must be devised.

Every credit man knows this situation, whether his business is wholesale or retail, and the conditions are the same in the regular mercantile establishments and in the instalment houses.

These schemes have been used successfully and will offer suggestions to every collector. If the debtor is remotely located,

it is often possible to get results by deserting the mails and turning to the more speedy and urgent ways of communication.

SCHEME 1—A LONG-DISTANCE TELEPHONE TALK

A St. Paul wholesaler had written two or three letters to a merchant in another state who owed the house \$400.00. The debtor replied with glowing promises to pay, but persistently neglected to name a date. Then the credit man resorted to the wire. At fifty cents a minute, he got the merchant into the telephone booth and talked to him in heart-to-heart fashion. He told him that the house was under heavy expense at the time and simply wanted to know when it could count on his check.

Consistency with his letters compelled the merchant to be courteous and the novel effect of a three-hundred-mile call on the wire prompted him to make up his mind quickly. Settlement was promised in ten days. Better than his word, he had a check on the credit man's desk less than a week later.

The 'phone call had given the collection efforts that personal contact that the letters had almost reached, but not quite. Like the quick trip for a personal conference that lands so many lagging but good-intentioned debtors, the long distance wire is a net that will pull in tardy payers when the best of letters fail.

SCHEME 2—USING THE LETTERGRAM AS A FOLLOW-UP

Since the "night letter" service went into effect, at least one wholesaler has used it in his collection work. One cannot openly dun a customer by wire, for it is illegal under the blackmail laws to give publicity to a buyer's indebtedness. But this dealer uses the wire most effectively as a follow-up.

A customer ordered a bill of seasonable goods, ignoring a back account. The wholesaler knew the dealer was in a rush and so used the order as a lever and telegraphed him:

"When office closed tonight, no reply had been received to our letter of the eighth, asking for a settlement of your account. Has check been mailed? Your rush order is ready in the shipping department, but we feel we cannot let it go forward until this matter has been adjusted. If you have mailed check, please wire us collect so goods can go forward tomorrow."

Such a telegram as this is permissible, because it really asks regarding the account only as a matter of information. From the merchant, who is anxiously awaiting his goods, it is practically certain to secure at least a partial remittance.

SCHEME 3—RIVETING ATTENTION ON LAST DISCOUNT DAY

In cases where a special discount is allowed for payment within, say, thirty days, it is a good plan to remind the customer a day or so ahead of the date when this discount period expires. One firm makes a very clever use of a telegram in this connection. On each customer's bill is printed in red ink a statement to the effect that if it is paid by a certain date—thirty days from the date the goods were supplied—that a special discount of two and a half per cent will be allowed him. Suppose this discount period expires on December 15th. On the morning of December 14th, the customer will receive a telegram worded:

Today is the last day for discount on November account.

JAMES JOHNSON & CO.

This acts as a strong reminder to the customer and impresses upon him the necessity of sending the check the day the telegram is received.

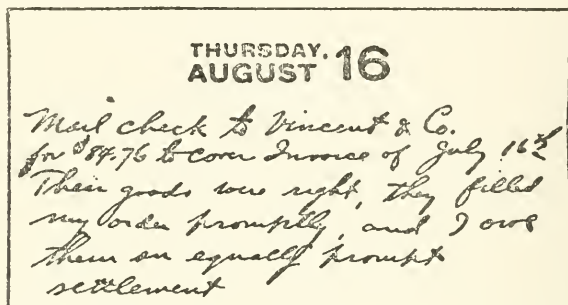
The plan takes into consideration the fact that, when the average man receives a routine statement or a request for payment of a bill, he puts it aside for further attention and in many cases it gets mislaid and is forgotten.

The telegram scheme guards against this—it demands immediate attention, and usually gets it. The customer has no excuse to say, "I intended to take the discount but forgot when it was due."

SCHEME 4—A CALENDAR PAD "REMINDER"

A more gentle, but highly suggestive, scheme is used systematically by an eastern hat manufacturer. A week or ten days before a bill is due the credit man sends the customer a

card printed in facsimile of a leaf from a desk calendar pad. The large figure on it, representing the day of the month, shows the date the bill is due. In the blank space below is printed in imitation of handwriting a memorandum, so that the leaf reads:



SCHEME 5—QUOTING FROM CUSTOMERS' LETTERS

A somewhat similar scheme is used on the sensitive debtor. One firm often collects the number of promises that a debtor has made in letters written to the house, and arranges them in one, two, three order on an attractive card as follows:

John Black & Company,
Hughesville, N. Y.,

PROMISED

Blank, Blank & Sons on--

May 10th--"Will remit in ten days."

May 25th--"You will have check promptly by the 1st."

June 10th--"Accounts are slow but will surely settle in fifteen days."

ALL PROMISES UNFILLED

Don't Promise Any More But Mail Check Today.

The card is mailed with a special delivery stamp and it makes an immediate impression. Ten cards were recently sent out by a certain firm and eight brought in settlement within five days.

SCHEME 6—THE ELOQUENT QUESTION MARK

Akin to this letter scheme is another equally as unique that has aroused many lagging debtors. The house sends a letter, by special delivery, formally addressed on the letterhead but in the center of the page is simply a large interrogation point printed in red. The letter is signed as any ordinary letter.

The debtor may not catch the point instantly, but invariably he will rummage in his mind for something that he has overlooked or that has reference to the house sending the letter. In the majority of cases he will hit on his account first.

SCHEME 7—HOLDING TIMELY PURCHASES PENDING PAYMENT

The leverage of the urgent order is just as good a medium for the retail credit man as for the wholesaler. It is especially effective if the goods ordered are intended for gifts, as is often the case. One big department store watches such purchases carefully. For example, if a customer, who is back in her account, orders silverware engraved, the credit man waits until the goods are ready for delivery and then sends a polite note:

"The engraving department advises us that the set of spoons you ordered are now ready and we had intended to send them out to you this afternoon. We have just noticed, however, that your last month's account still remains unpaid. Won't you send us a check to cover this at once? Then we can have the spoons delivered immediately. We feel sure you would hardly want this account to become any larger on our books."

Two or three days before Christmas, or a wedding, or birthday, this scheme is bound to force the buyer to "pay-up."

SCHEME 8—FORCING COLLECTIONS ON C. O. D. DELIVERIES

Every retail credit man knows the value of any scheme that will jolt the customer into a recognition of the condition

of his or her account. One big store does this through its C. O. D. service. Suppose a lady customer, whose credit is perfectly good but who becomes negligent at times, lets her account drag thirty days behind and then, without heeding the store's letters, comes in and orders more goods. When the purchase slip comes up for O. K. the credit man notes the condition of the account and gives orders to have the goods sent out C. O. D.

Next morning the driver rings the customer's doorbell and asks, say \$20, for the package he brings. Instantly the lady becomes indignant. There must be a mistake, she insists. Her purchases are always charged. The driver, however, has no alternative—he must take back the money or the goods.

He suggests, however,—it is not the first time he has played the part—that she call up the house by 'phone and ask the credit man for an explanation. This is exactly what the latter has counted on and in answer to her call he takes a hurried look at the books and explains. Her account, he notes, is considerably overdue. Probably some subordinate in the department, unappreciative of the extent of her patronage, had held up the charge ticket. Of course it is unfortunate; the store apologizes; the driver is called to the 'phone and told to leave the package.

The customer receives her goods in triumph, but she also receives a jolt straight from the credit man regarding her delinquency and he has had opportunity to mention it personally, a thing he could not very well do without an excuse. A day or two later a check is pretty sure to find its way to his desk.

SCHEME 9—COLLECTING PAST DUE BILLS ON C. O. D. ORDERS

Another store uses the C. O. D. purchase as a collection in a somewhat different way. A customer, whose account has been long neglected, comes in and orders goods sent out C. O. D. The credit man leaps at the opening. A bill is made out for the purchase, and to it is added the account on the books.

When the driver delivers the goods, he has with them the statement in full and he has but one alternative—to take back the money in full or the goods. If the customer wants the articles badly, there is but one way to get them—pay the

entire bill. At least the scheme serves to rouse her to the delinquency and get her into touch with the credit man.

SCHEME 10—AN INTENTIONAL ERROR IN THE STATEMENT

A Michigan merchant stumbled onto a collection scheme by accident—and then used it systematically. A farmer who lived at such a distance that a personal call was impractical, owed \$10 for a long time. He was one of those men who are counted as "sure pay sometime" but who are never hurried up by a little thing like a monthly statement or the ordinary collection letter.

One day he appeared at the store, highly indignant.

"Look here," he said, "I don't owe you any \$20. I have just received this statement and I know it is twice too much."

One glance at the statement showed the merchant that the bookkeeper had made a mistake in filling in the amount of the bill. It took but a few minutes to show the farmer the books and convince him that it was an error—and then the merchant in the suavest manner possible asked him when he could pay the actual amount of the account. The upshot was that when the farmer left the store he carried with him a corrected statement ornamented with the "Paid" stamp.

The merchant now goes through his books every month and checks off the accounts that are to be billed at twice the amount of the actual debt. Invariably the padded bill brings the man in—sometimes he is angry, sometimes only protesting, but it always gives an opportunity for a personal interview and a chance to talk the account over and arrive at some basis for settlement.

SCHEME 11—NOVEL WAY OF WIELDING "BIG STICK"

Carelessness is often responsible for slow payments. It is the put-off merchant who annoys the credit man. This class must therefore be handled in a way bordering on coercion. He must often be goaded in the side. One concern rouses this procrastinating merchant by having the advertising man write a short news item covering a hypothetical law suit of its firm against a certain debtor. The firm is given an execution of his property, and the story is printed as a news item in ordinary newspaper type, with a heading on it and a date line. This is torn as you

would tear a clipping, and pasted in the center of the letter to the debtor. Underneath the clipping is written on the typewriter: "You would not want us to do the same by you, would you, Mr.——?"

SCHEME 12—THE PERSONAL CALL OF THE COLLECTOR

Another effective scheme of the retail credit man is to play on the average customer's horror of a personal collector. A Chicago store uses this in a unique way. When the account has run behind and the routine letters have failed to get a response, the credit man calls the buyer on the 'phone.

"I just called you up to tell you," he says, "that I have a memorandum on my desk to have one of our men call and see you tomorrow. I find that your check has not come in as yet, and I have called you so that if you wish you can wait until tomorrow and hand it to him personally. This will save you the bother of mailing it."

Of course the purpose of the telephone conversation is to effect just the opposite result. The average debtor wants to head off the collector, and, in many cases, this 'phone message will call forth an urgent request not to have the collector come around as the check will be mailed that night.

SCHEME 13—THE "BAWLING OUT" METHOD OF COLLECTING

Then, occasionally, every retail credit man finds one debtor on his books on whom even more extreme measures must be used. Hope of retaining the customer's patronage is abandoned. The only aim is to get the money. When a debtor reaches this stage he is given by one store what it calls the "bawling out" process.

A real estate broker was indebted to a number of stores. The credit man for the largest creditor felt that this man could pay his bills if he wanted to and learned, upon investigation, that he was actually hoarding considerable cash in order to handle some deals which he very much desired to swing. Naturally the credit man doubted the propriety of the customer's using the merchant's money to run his business.

The collector called a number of times and letters were written, but all to no effect. Then the firm's star collector was called and the "bawling out" process prescribed. The

collector decided to use it at the "psychological moment." So each day he waited until the broker was in conference with one of his clients; then he would open the office door and, in elevated tones, ask the broker when he expected to pay that bill he had been promising to settle for three months past. The real estate man stood the strain for a week, but constant fear of losing a sale by the untimely entrance of this collector wore him out, and at the seventh call he paid up.

SCHEME 14—THE WOMAN COLLECTOR

One instalment house has been very successful in its hard local collections by sending a lady collector to call on its men delinquents. Few things are more embarrassing to a man than to have a young woman approach him in an office full of his associates, lean over his desk and in a stage whisper ask him when he is going to pay the \$10.00 he owes her firm. In nine cases out of ten, with this pressure upon him, he will procure the money on the spot, if he has to borrow it.

SCHEME 15—THE CERTIFICATE OF CREDIT

Many houses have brought in the money by offering a sentimental inducement to the debtor. An instalment firm selling by mail makes clever use of a certificate of credit. At a certain point in the follow-up, a letter is sent the customer enclosing a sample certificate and explaining that as soon as the account is settled in full a properly filled in and authorized certificate of credit will be presented to him. This, it is pointed out, will be a valuable asset to him in dealing with other concerns—in fact in every transaction where his credit might be a factor.

The certificate, an elaborately lithographed affair, has been found remarkably effective when used on country and small town buyers. In their desire to possess a properly filled in certificate, many have paid their instalments before they fell due.

In any event, these schemes are more or less emergency methods. Except in the last case, these methods are employed only when ordinary methods have been exhausted.

The clever letter is always the most diplomatic collector. But it does not always win. When it fails, the scheme comes into its own.

Holding The Trade Of The POOR Credit Risk

PART XIV

COLLECTING MONEY BY MAIL

CHAPTER 66

THE POOR CREDIT rating of a customer or of a prospective customer is ample reason for limiting his dealings with the house. But to restrict those dealings by refusing to sell goods is not only cutting off a possible source of present profit, but **SHUTTING OFF** the probability of **FURTHER DEALINGS** in that direction. Various ingenious methods by which the experienced credit manager "turns down" poorly-rated customers, and at the same time retains all or part of their trade by assisting them to handle it on a cash basis, furnish some of the most profitable lessons in the study of salesmanship by correspondence

POSSIBLY the hardest letter to write in the whole field of business correspondence is the one which turns down the order from a merchant having a poor rating at the same time getting his business on a cash basis. And this is a proposition that comes up almost daily to the credit men in large wholesale houses and in manufacturing establishments selling to dealers.

To the credit man, the world appears to be full of storekeepers whose imaginations are greater than their capital—merchants who dream of the great businesses they will build if they can only get credit. It is only one out of a hundred who makes a noticeable success; some drift along, forever haunted by sight-drafts and overdrafts, and the others sooner or later fail, and

so wholesale houses are constantly on their guard against losses from this class of customers.

At the same time, these hundred merchants represent a volume of business that the wholesaler cannot altogether ignore. While a dealer's credit may be questionable he may have considerable trade that it is very desirable to get if it can be secured on a cash basis or if his orders can be held down to a safe margin,

Human nature is so constituted that the "little fellows" who have not established a basis for credit are always the ones who are most touchy of their reputation, and so great diplomacy is required in handling them in a way that will hold their trade.

There are some firms that make no effort to secure any of this business. If a merchant's rating is acceptable, well and good, his orders will be filled, but if there is any doubt as to his financial standing he is informed in no uncertain terms that his patronage is not desired. But the credit man who is looking after the larger interest of his house, always meets the vast army of "little fellows" with a welcoming hand and an encouraging smile.

If he must turn one down he does it so diplomatically that the way will be left open to go after his business later on if the merchant becomes thoroughly established. In every city there are prosperous business men who started out with small capital and were considered poor credit risks at one time. And so the credit man must look upon every customer as a possible Marshall Field.

The large-calibre credit man realizes, moreover, that he is a salesman as well as a collector and must coddle along the small dealers, even at the expense of an occasional lost account. This is the price the house is willing to pay for the additional business that could never be secured by limiting the credits too strictly.

No definite rules can be laid down for handling this class of business. The form letter is usually impractical, for each case must be diplomatically handled with a full knowledge of the standing, reputation and record of the customer. The letters given in this chapter are not intended as models to be generally followed, but they may point out certain attitudes that should be guarded against and they may offer some suggestions as to

diplomatic methods that have proved successful in holding the business of this class of customers.

Here is a letter from a type foundry to one of its delinquent customers:

Dear Sir:

We are in receipt of your favor of the 7th, enclosing an order for _____.

On referring to our ledger we find that you have a long overdue account on our ledger amounting to \$54.76 and we are surprised that you should send us another order without enclosing a draft to take care of this old debt.

Of course, we appreciate your business and aim to be very liberal in our terms. You must admit that we have been exceedingly lenient in your case. But it is not business-like to let these old accounts accumulate and it looks to us as if it would be to your interest just the same as it is to ours for you to take care of this obligation at once.

You must understand that we have to call a halt sometime and so we do not feel warranted in filling this last order until you send us a remittance covering the old account. We hope to receive a check by return mail and we will then fill your order of the 9th.

With best wishes we are,

Very sincerely yours,

Charles Clark

This letter was evidently written while the credit man was "hot under the collar," but it is not unlike hundreds that pass through the mails every day—letters that are sadly out of tune, letters that are discordant in arguments and in language. If the printer had some important job requiring material that could be secured only from this particular type foundry, he would probably hustle around and scrape up the money to settle the old account. But it is equally probable that no more orders would be sent to a house that handled his account in this manner.

Even though he may have been negligent about his bills, the house could ill-afford to collect the account at the expense of his good will.

A new credit man coming to this foundry had a broader grasp of the functions of his department, and in handling a similar situation, wrote:

Dear Sir:

Your letter of the 9th accompanying your order for _____ has just been received. We thank you for favoring us with this business.

Do you realize that your previous account for \$34.76 is now overdue nearly three months? It may have been overlooked, although your attention has been called to it several times.

We are at all times willing to grant our printer friends reasonable accommodations, but when we allow them to keep adding new accounts without offering a settlement of their old obligations we feel we are doing both ourselves and the customers an injustice.

Please understand that we appreciate your business very much and we try to merit it by the quality of goods we sell and the treatment accorded our customers.

We hope, therefore, that you will send us your check for this old account by return mail, and immediately upon its receipt we will be very glad to give your order our very best attention and ship it to you promptly.

We trust you will look at this matter in the same light as we do and that you will give this past due account your immediate attention.

Very truly yours

Charles Clark

This letter is diplomatic; there are no harsh words, no abuse. And yet the point is made perfectly clear that further credit cannot be secured until the old obligation has been wiped off the books.

Throughout the letter there is evidence of a spirit of fairness that will reach most men when bluster and bullying would have no effect. The delinquent is made to feel, no matter what happens, that he has been treated courteously and fairly, and the house retains his good will.

The best credit man is not the one who has the smallest percentage of bad accounts. Every house establishes the per cent of loss from bad debts which the business will stand and

below which it does not want to go. So the good credit man puts salesmanship into his letters and thinks not only of keeping the loss from bad accounts from rising above the established allowance, but also of increasing the volume of business that his house is doing. He looks to the future as well as to the past.

Here is the letter sent out by a Chicago wholesaler to a customer on whom reports had not been satisfactory. It does not tell the customer bluntly that his standing is not satisfactory. A sugar coating is given to a bitter pill by assuring him that the reports "do not give the required information," and as an inducement to secure his order on a cash basis, a special discount is offered:

Dear Sir:

In seeking information from the usual outside channels, for basing credit for you, we find our reports have not been sufficient in detail to permit us to arrange this matter on an equitable basis. These reports all speak very highly of you in a personal way, but do not give us the required information in the way of assets as compared with liabilities to enable us to arrive at such a credit basis as we feel you unquestionably are entitled to.

We assume you want our goods for your early fall trade. It is imperative, therefore, that we ship immediately. We suggest that on this order you arrange to favor us with draft, in consideration of which we will be pleased to allow you a special discount of 3%. Bear in mind that we suggest these terms only on this first order, as we feel confident we can easily arrange a credit basis for all future shipments we are positive you will need in our line.

We sincerely trust you will take no personal exception to our above suggestion, which we have made in your interest solely.

Thanking you for the kindness of an immediate and, we trust, favorable reply, we are,

Yours very truly,

Crowell & Co.

While the merchant who received the letter was probably disappointed, there was nothing about it to offend him and he

could have nothing but respect for the house that conducted its affairs on such a courteous, yet business-like basis. Asking a delinquent for money can be just as dignified and courteous as trying to sell him goods—and it keeps the customer in a friendly attitude. A “grouchy” credit man may, in one letter, lose to a house a business it had been years in developing.

Here is the letter from another wholesale house to a customer who had been allowed a small line of credit but who had fallen behind in his payments:

Dear Sir:

After careful consideration of your recent letter we are sorry to inform you that we have decided to hold back the order. We regret this, I assure you, quite as much as you do, but our unalterable rule of business in this regard leaves us no alternative.

We do not in the least like to lose your account, and we sincerely trust we may, in the near future, come to some agreeable understanding.

It is to be hoped that you will soon dispose of the property you mentioned in your last letter, and that its sale will enable you to clear up the outstanding balances against you.

Our action with regard to your case is to be especially regretted, owing to the lateness of the year; we still feel you would be best served if you sent us your remittance of \$200.00, and let the shipment go forward. We say this in all earnestness, as we know what it means to go into the open market at this time to buy Christmas goods.

Should we not hear from you by next Thursday by wire or mail we will have to unpack your shipment and place back in stock, as it is taking up valuable space.

Very truly yours,

Anderson & Anderson

This is in reality a collection letter aimed primarily “to get the money” by deftly suggesting to the merchant how hard it would be for him to go into the open market to buy Christmas goods, and the fact is driven home that he cannot hope to have his order filled without a substantial payment on account for he is assured that the shipment will be unpacked unless he is

heard from by a specified time. This letter is a shrewd blending of collecting and selling, and while it may hurt, it gives the necessary prod to an easy-going merchant, that he cannot expect continued credit unless he looks more diligently to the payment of his bills

A wholesale house was unable to secure the required information regarding a new merchant and wrote him:

Dear Sir:

Concerning your valued order, we find it best to write you directly relative to it in order that we may arrange the matter of credit terms to your best advantage.

We have experienced a little trouble in securing definite information for basing credit. But after all, this is a matter which concerns us alone and we would much rather secure the necessary information direct from you than from outside sources. Our experience in the past has been that when we have gathered information through outside channels, very frequently it does a merchant a serious injustice and it is therefore always our preference to go direct for the facts we need; as we are doing frankly in this case.

We enclose a statement and will appreciate it very much if you will fill this out so we can determine upon a credit basis from the facts you submit. It is understood, of course, that this statement is to be held strictly confidential and used only by ourselves.

The particular class of goods which your order calls for has proved one of the most popular lines that we are showing this fall. You will find an immediate demand for it and one that will prove very profitable for you.

We will appreciate an early reply, with statement properly filled out in detail, and immediately on receipt the order will have our preferred attention. We trust to be able to make shipment at once.

Awaiting your reply, for which we thank you, we are,

Very truly yours,

Drewell Co.

This is a diplomatic letter, for it cleverly suggests to the merchant that the house is doing him a favor in sending directly to him for information, thus avoiding the injustice that might

follow from incomplete outside information. And then the fourth paragraph brings in the selling talk intended to stimulate the desire of the merchant to have his order filled promptly.

A large grocery house, on receiving an unsatisfactory report from the mercantile agencies, wrote this letter to a would-be customer:

Dear Sir:

We have studied the data regarding your financial condition and unless there is some mistake in the information furnished us it would appear that your capital is not large enough to justify us in letting your order go forward on our regular terms

Your reputation is well vouched for and on the score of your good intentions we are quite satisfied, but it is positively necessary in such instances that your assets be such as would assure us that you could take care of maturing accounts; it is not so much a question of whether a dealer will pay a bill as whether he can pay it.

It is not at all improbable that the data we have is incorrect and therefore we enclose a blank form which we will ask you to fill in and mail us together with the names of a few houses you have had dealings with.

If agreeable to you, please deduct 2% cash discount and include remittance with your reply, and further delay on your order will be unnecessary--the shipment will then go forward at once.

Very truly yours,

Anderson & Anderson

Such a letter is severe but in some cases necessary, especially with well-meaning but inexperienced men who are entering the mercantile field with a limited capital and everything about the business to learn. The third paragraph affords a little balm for the sting, by the suggestion that the information secured may be incorrect.

Some firms depend upon the "hard-up" argument for making collections and it is frequently the refuge behind which a credit man tries to hide his real motive for denying credit—a

false position that deceives no one. Here is an example of such a letter:

Dear Sir:

Since your visit at our office a few weeks ago, we have been pleased to receive an order from you amounting to \$475.00. We want to assure you of our appreciation.

You are undoubtedly wise in putting in a good substantial list of dry goods for the fall and winter trade, and we trust that you will dispose of it quite readily.

We are anxious to ship you this order as soon as possible, but as we have several very large debts to meet in the near future we are desirous of doing business on a cash basis, hence we would feel especially gratified if you would do your best to favor us with your check for the order, less 2% discount.

We are asking this favor of all our customers and we trust that you will not feel that we are making an exception in your case. Rest assured that such is not the case. It is our financial need that makes it urgent that we pursue this policy for some time to come.

Trusting you will strive to comply with our suggestion, we beg to remain,

Very truly yours,

Louis D. Frank

While it may have been true that the company had large debts to meet and really needed the cash, yet the letter was sent out by one of the oldest and largest dry goods houses in the country and it is doubtful if its statements were believed. The assurance that this same request was being made to all its old customers is equally preposterous, and the merchant who received such a letter could not help feeling that the house was not treating him honestly. Even an inexperienced dealer is not so easily fooled; a frank, business-like statement that his credit is not acceptable will always prove a surer method of bringing forth a check and it always commands the respect of the customer.

Much more effective is the letter that tries to get the cash with the order by pointing out to the customer why it is to his advantage to buy on the cash basis. One credit man cleverly

points out how the three per cent discount for cash is just the same as making an additional three per cent profit on his goods and receiving this profit in cash before one of the articles is sold.

Another firm has an array of figures to show how seldom merchants fail who buy for cash and keep up their own collections.

"It is not that we hesitate about extending credit but we always take occasion to advise dealers to stick to the cash policy as much as possible."

This sentence rings true in the credit letter because the firm goes on to give specific reasons why such a policy is to the merchant's advantage. The firm does not shake confidence in its own management by the cry of needing money. The letter is dignified and business-like. It carries conviction because the reasons are logical and "good business."

And then there are credit men who talk to young business men in a heart-to-heart manner, telling them that they are willing to extend the credit but it has been their experience that it is advisable for merchants to go slow until they get established and to order in small quantities until they are thoroughly familiar with the needs of the field.

A firm in Chicago manufacturing physicians' and hospital supplies writes in a similar way to young doctors who have sent in their first order:

Dear Sir:

It is a pleasure to inform you that the replies received from the persons whom you gave us as references as to your personal standing and integrity are very satisfactory and we have accepted your order on the terms outlined in our previous correspondence.

We notice, however, in looking over your list, a number of articles for which we believe you will have no immediate need --in fact, some of the instruments are used only for special operations and are likely to remain in your case for many months before you will have use for them.

As our experience of over 30 years in equipping physicians has taught us that the financial returns of a young physician starting out in practice are not always as rapid as he may anticipate we would suggest the omission of the instruments we have enumerated below. If occasion should arise for immediate need of any of these instruments they can be supplied by telegraph order within a few hours.

By reducing the amount of the order you will also reduce the amount of the payments, enabling you to put aside a surplus which may be of considerable advantage in case of emergency.

We trust that our suggestion will be taken in good part, and in the interval, awaiting your instructions, we will have your order made ready for shipment so that there may be no unnecessary delay.

Very truly yours,

Hatchell Bros.

No one could take offense at this attitude—that is, no one whose business is worth going after—and there is something about the letter that shows a genuine interest on the part of the firm. The doctor really feels that the house is giving him good advice, is looking to his interests as well as to its own and so the order is cut down and it is done in such a way that it increases the good will of the customer.

One of the every-day experiences of the credit man is to pass on orders from customers who are inclined to stretch their credit accommodations. The trick is to induce the customer to reduce the size of his order without offending him.

Here is the way a wholesale grocery house bluntly handles this class of business:

"We are not satisfied with the replies regarding your standing. The total amount of your order would not warrant us in running any risk. If you are disposed to pay us on account, half the invoice, \$48.30, and promise to remit the balance in the usual thirty days, we will send on the goods as quickly as possible."

Here is the diplomatic way in which a rival concern persuades the customer to reduce his order:

Dear Sir:

Your order for goods received. We are quite pleased to hear from your part of the country, and we trust that business is on the upward trend in Streator

Your intention to put in a stock of flour for winter trade is good policy, but the brand you order is not one that we feel will be an Al seller in Streator. It is, of course, possible that you may be able to dispose of the entire order within a few months, but our past experience teaches us that it is always best for a dealer to go slow on a new brand of flour.

Instead of sending you a \$300.00 order, we feel that it will be to your advantage to try \$100.00 worth of the flour first, and see how it sells. After that you will be in a position to know positively whether this brand will be an asset or a dead burden on your hands. We never like to send any dealer a bill of goods that we think will not come up to his expectations as a seller.

Now, up in the country districts of North Dakota this brand of flour which you desire is a big seller. A large demand has been created for it up there, but in your section this demand we feel has not been fully developed. Hence our advice to you.

Very truly yours,

L. W. Hamilton

Country Credit Department

After reading this letter the merchant feels like thanking the wholesale house for giving him such good advice and looking after his interests by cautioning him not to tie up his capital in an unsalable line.

A credit man who tried, not very successfully, to combine a collection and selling letter, wrote to a comparatively new customer:

"We are in receipt of your valued order given our representative, Mr. Hammond, and we wish to thank you. Our business relations during our acquaintance have been very pleasant and we trust have been profitable to both buyer and seller. We note that the remittance for your last purchase--\$288.89--is 10 days past due--a condition for which we are at a loss to account--perhaps an oversight on your part.

"Before shipping this large order--\$978.30--we would take occasion to suggest that you oblige us by reducing the order to half the amount, owing to the fact that we have had a very heavy demand on the line of goods you call for, and we fear that we will run short before we can replenish our stock. We have asked others to act on this suggestion which is simply a course followed by every live and prosperous business house."

The letter does not ring true; it has a hollow sound that does not fool the buyer. The reference to the past-due account and the request to reduce the order by half are so closely connected that the thought in the credit man's mind is apparent and the reader does not believe that the old customers have been asked to reduce their orders on the same line of goods.

But here is a credit man facing an identical situation who succeeded in having the order reduced. There is no suggestion that the house is not doing exactly as it says.

Dear Sir:

We thank you for your order for semi-porcelain ware, amounting to \$500. This line has proven so exceptionally popular this season that it has been practically impossible for us to fill the demand in our usual prompt way.

It will be appreciated, Mr. Roe, as a special favor on your part if you will permit us to reduce this order to \$200 for immediate shipment. We are asking this favor from other customers in order that we may let all share in the popular demand for this very excellent line.

We will hold the balance of your order on special file and would be pleased to receive your order for more of the line at any later date that you may be in need of it. Let us assure you that we will appreciate very sincerely your accommodating us in this matter and regret that the demand for the line necessitates our asking the favor of you.

Awaiting your very prompt reply and assuring you that on receipt of it the order will go forward immediately, we are.

Very truly yours.

Deane & Co.

An exceedingly diplomatic turn-down is used by a New York house to a would-be credit customer:

Dear Sir:

Some time ago the management enforced upon our sales department a rule that all orders should be accompanied by cash, unless the account had been previously passed upon by our credit department.

This opening is more than a clever turn-down; it is a skillful sales argument as well. It takes off the personal affront of the refusal, and indulges in a little confidence with the customer that has the human ring. Any small confidence of this kind is always a good thing.

From these letters it is very evident that no hard and fast rules can be laid down for the guidance of credit men but some practical suggestions may be found, showing what to avoid and how these embarrassing situations may best be met.

If it were the function of the credit man to keep up collections and hold his bad accounts down to the minimum, his task would be easy. It would be very simple to refuse sales to everyone except the merchants who are known to be "good pay." But the house wants to increase its business and too strict a policy on the part of the credit man invariably means a loss of customers. So every house fixes the per cent the business will stand for bad accounts and the best credit man is he who keeps close to this line. By falling below the fixed per cent the management would complain to him that he is too strict, driving business away, and this is just as bad as it is to let down the bars and let in too many bad accounts.

So the problem of the credit man is to deal diplomatically with the questionable customers; get their business on a cash basis if possible; but if he cannot, point out to them how it is to their advantage to reduce their orders to a level consistent with the demands of their trade—orders that the house will be glad to fill. He must have an eye to salesmanship and to collections and write letters that will secure the maximum of business at the minimum loss; he must be first and always, a diplomat.

Making CAPITAL Out Of Complaints

PART XV HANDLING THE LONG-DISTANCE CUSTOMER CHAPTER 67

WHEN A BUSINESS is at its height, there is nothing that perplexes the head more than an increasing number of complaints. These mistakes are almost inevitable in a growing organization; the problem is to handle them in such a way that they will not impair the firm's prestige—rather, to TURN THEM into a CONSTRUCTIVE FORCE. This chapter shows how complaints have been turned to orders and gives letters that have sounded harmony and pulled business on top of hard-to-handle complaints—letters that have resulted in increased loyalty and tightened the hold of a firm on its distant customers

A WESTERN mail-order house recently established a new promotion department, the purpose of which was to revive the business of former customers. An examination of the files showed large numbers of names which had not been checked with order notations for two or three years—over a hundred thousand altogether. An estimate of the cost of the literature mailed to these addresses, without apparent returns showed an enormous waste of ammunition. Added to the actual expense of mailings, was the still greater item of the loss of trade.

The manager determined to discover, if possible, the reason for the severed relations and a letter was sent out, frankly asking why the former customer had stopped buying. The letter is printed in full on page 164 of Volume II.

The letter was first sent to a try-out list of 1,500 names and the response was immediate—sixty-seven per cent; 229 letters contained complaints and forty-six were entitled to cash adjustments which cost \$271.00. But orders amounting to \$5,100 came in as a direct result of these letters. The cost of the mailing and the adjustments, \$483.00, was offset by new business amounting to more than \$5,000 and, in addition, the house regained the good will of several thousand old customers, and made certain at least a share of their future business.

One adjustment, for instance, amounting to \$2.21 demanded by a woman in Nebraska brought a \$70.00 order by return mail; a Louisiana customer claimed that he had been swindled on a \$16.00 purchase. The money was refunded and led to orders from the complainant and from several of his friends—the amount was well up in the three figures. Every settlement brought in later orders and also made a warm friend and several thousand “boosters” performed an advertising service that could not be measured in money terms.

These instances show what the “letter-adjuster” of complaints can accomplish, when applied in the right way. The proper handling of a complaint turns it into an advertisement. In the hands of a diplomatic correspondent it becomes a basis upon which to build business. It not only offers the house an opportunity to get in closer touch with the customer, and show a genuine interest in him, but it brings to light weaknesses which should be remedied for the sake of future business.

No matter whether a customer's grievance is real or imaginary the house cannot afford to neglect him or ignore his complaint. His future trade and the influence he may have on other customers or prospects call for a prompt and satisfactory settlement of the trouble. The successful mail-order houses are all agreed on this one point: adjust a complaint at once, even though it may be unreasonable, and try to capitalize that complaint so it will pay dividends in future orders.

By tactfully wording the adjustment letter to give an impression of fairness and good intentions, an appeal is made to one side of the customer that can be reached in no other way. Fairness inspires fairness in return and the customer is quick to respond to the interest manifested by the house.

The complaint may be settled so liberally that the customer feels under obligations to reciprocate. Human nature is such

that buyers not only appreciate generosity in complaint adjustments but, usually, they show that appreciation.

Recently a stationer sent to a paper house for twenty boxes of fancy stationery to be delivered to a firm of engravers. Some little time after the goods were received by the stationer and had been delivered, it was discovered that there were but 250 instead of 500. The paper house insisted that 500 had been delivered to the engraver and held a receipt. It was for "One Package" and did not show the number of boxes it contained but it was enough to shift the mistake onto the engravers. After thorough investigation, the engraver wrote the distant customer:

Dear Sir:

We have gone over our records carefully but do not find any evidence of mistake or carelessness on our part. Your order was to engrave the announcements received from the Central Paper Company and we did so. The records show that only 250 went through the department. As the paper is very different from what we ordinarily use, it is inconceivable that part of the stock was mixed with another order.

As far as we can see, the mistake was not ours, but we can readily see how it looks to you as if we had "slipped up" on the order. Rather than to let you have such an impression we are having another 250 put through and will rush them to you by pre-paid express tomorrow.

We sincerely hope this will be satisfactory to you, and assuring you of our regret for this unfortunate delay, we are

Very truly yours,

THE SMITH & WESTON ENGRAVING CO

The spirit of fairness shown by the engravers in adjusting this complaint put the buyer under an obligation to favor that house. He not only wanted to swing it enough business to make up for any loss on the disputed order, but he was convinced that under all circumstances he would be "taken care of" and, while the adjustment was expensive for the engravers, it led to \$400.00 worth of business during the next two years.

The cost of handling a complaint should not be considered merely in relation to the order to which it refers; it should be

set over against the extension of good will and the insurance of future business.

A reputation for fair adjustment of complaints is a strong magnet to attract future orders. A liberal guarantee is always a good selling point. One successful mail-order house, after excluding the "chronic kickers," does everything possible within the bounds of reason to satisfy its customers, and the actual cost in money and time is charged to a private account which is labeled "Advertising." A reputation gained through such a policy proves the best advertising obtainable. Such a reputation is an intangible, yet an invaluable asset.

Another example of what a clever adjustment of a complaint may do in the way of bringing back old customers with new business, is that of a manufacturer of gas lamps. Frequently a new customer complains that a lamp is not giving satisfaction. From the nature of the complaint, the manufacturer usually knows that the trouble is in the adjustment of the burner.

He immediately writes a tactfully phrased letter, offering first of all, to take back the lamp and refund the money paid by the customer. Further down in the letter he suggests that the complainant try a different adjustment before going to all the bother of taking out the light. He carefully outlines the method of gas regulation by which the best results can be obtained.

In nearly every case the customer makes the adjustment suggested and finds the lamps are entirely satisfactory. Very often an order follows for enough lights to equip a customer's home or place of business. The willingness to refund the money inspires confidence in the lamp and leads to a desire to make a new trial under different conditions. Usually additional orders result—but here is the big point: the immediate, unrestricted offer to refund the purchase price puts the customer in the right frame of mind.

Many mail-order houses do not expect to make a profit on initial orders because of the cost of getting new customers, so an established trade is essential to success. These houses look upon the adjustment of a complaint as an investment, for it affords an opportunity to inspire good will, and assure steady trade.

One successful southern mail-order house not only adjusts complaints promptly, but it actually seeks a complaint and follows up every adjustment until a reply is received giving assurance that the customer is entirely satisfied. To a list of about

25,000 dormant customers, a letter was written, stating that the business was about to be reorganized and the departments enlarged. It mentioned plans for improving the service and requested the customer to submit his own ideas along this line. The suggestion was made that if there had been anything unsatisfactory in the past, the house should be told, in order to prevent a recurrence of the same trouble. A stamped envelope and a carefully priced, seasonable circular were enclosed.

The result: enough cash orders came in to pay for the mailing and, what was much more important, the concern was reinstated in the good graces of several thousand customers.

Another concern, manufacturing cash registers, keeps its customers friendly by requesting immediate notification of any operation troubles. This letter was mailed to buyers in one territory:

Dear Sir:

Is your cash register working satisfactorily? Does it carry out the system that you planned when you bought it?

Does it accomplish everything you want it to do, or can you suggest some improvement?

The year is about over, and before it closes I want to be sure every user is thoroughly satisfied.

I would like to call on each one personally, but as there are over 14,000 in my territory it would require too much time to get around.

If you are not getting just the results you want, we shall be glad to help you with any suggestions we can make by letter, and have a representative call if you wish.

You may chance to know three or four merchants who ought to have cash registers, or who might be interested in them. I should appreciate the favor very much if you would kindly send me their names. This information will, of course, be treated in confidence.

A stamped postal is enclosed for your convenience in sending in these names.

Very truly yours,

H. O. Williams

District Manager.

And this letter, together with a stamped return post card, while costing \$420 just for postage, became an actual producer of "dollars and cents" returns by the cooperation inspired through the frank offer of assistance and willingness to guarantee satisfaction along with the sale of goods, and as a by-product the company received the names of several hundred prospects.

Another manufacturer, selling a mechanical specialty by mail, sends out periodic letters to customers asking for complaints, on which to build capital. This is one of the letters:

Dear Sir:

This is just to remind you that our interest in the Duplicator purchased by you will continue as long as you have the machine--that if you are not getting satisfactory results from it, we wish to help you do so. Unsatisfactory service is annoying to you and injurious to the reputation of the Duplicator. It is unprofitable alike to both of us.

Therefore, if you are having ANY TROUBLE, inform us JUST WHAT IT IS. Read the enclosed "trouble form" carefully and answer the questions fully. Strike off a copy letter from the Duplicator after following instructions and send it along with your letter. We make no charge for any assistance given to customers.

Very truly yours,

THE ACME MANUFACTURING CO.

Enclosed with this letter is a list of questions relating to difficulties that might occur when the machine is operated by an inexperienced person. The service offered to buyers keeps them interested and by periodically soliciting complaints and criticisms, this house keeps customers "boosting" its product. One specialty house follows customers up at intervals, in this same way, for ten years after they have purchased goods.

But sometimes even requests for "kicks" fail to bring the reply from the disgruntled customers, so the house has no opportunity to show its willingness to make satisfactory adjustment of their troubles and bring them back into the list of buyers. For this class of inactive customers some strategy is necessary to call forth a response.

One house tried a unique scheme to get the customer to state his case, by sending out this letter:

"We are sorry you find our goods unsatisfactory. We would not have you dissatisfied with goods or service for many times the amount of the order. So won't you return the goods and let us refund your money?"

When the customer, in surprise, wrote that no complaint had been made, no goods ordered or received, the house immediately followed up the reply in this way:

Dear Sir

We have investigated your record with our house and find, as you say, that our previous letter was sent to you by mistake. But I don't know as it was a mistake after all, for you have not sent us an order for quite a while, and we are wondering if our goods or service have been in any way unsatisfactory. Won't you tell us frankly?

If anything has not been satisfactory, we want the privilege of making it right. We want to be sure you are satisfied and to renew our previous pleasant relations. So if anything has been wrong, tell us of it and let us adjust the matter. If not, won't you look over the splendid offerings in our spring catalogue, which is just off the press and a copy of which we are mailing you?

Most cordially,

WESTERN RUBBER COMPANY.

By *B. D. Williams*

While this is merely a scheme and might not be approved by some firms, it brought unusually good returns to this house and resulted in renewed relations with a large number of dissatisfied customers whom it had been impossible to reach in any other way.

Soliciting a complaint, when it may be turned into capital, may prove more profitable than the soliciting of an order. The receipt of a complaint, instead of being a necessary evil, offers an opportunity for the house to extend its service—to show a real concern for the customer's welfare—an interest beyond the sale. And this, coming from the distant house to a customer, unsolicited, establishes the confidence and good will that builds up sales—and pays a large interest on the money expended in adjustments.

The *House Policy* in Handling ROUTINE Complaints

PART XV HANDLING THE LONG-DISTANCE CUSTOMER CHAPTER 68

NO BUSINESS can operate without complaints and the shrewd manager aims to handle them promptly, satisfactorily and economically. The majority of complaints fall into definite groups and most mail-order houses have **FIXED POLICIES** for handling them. Regardless of the system adopted, the **DISTANT CUSTOMER MUST BE APPEASED**, and it is the art of the letter writer to accomplish this quickly and at small expense to the house. Some concerns make an immediate adjustment and then start an investigation to discover the source of the trouble; others, handling special products, investigate before making an adjustment. This chapter shows how these two attitudes are worked out and the advantages that each affords

THERE is a certain class of houses that lose all interest in a sale as soon as a customer's money is received. But every successful concern has adopted this policy: no transaction is completed until the man who spends his money is satisfied. A dissatisfied customer is a serious menace; he makes it a point to drive business away—he is the danger signal standing between the house and future sales.

Usually it is a far better investment to satisfy one old customer's claim than to spend the same amount of money locating new prospects. And it is a better advertisement, for the assurance that a house stands back of its goods is a powerful magnet in pulling orders. The adjustment of a grievance invariably leads to more orders; it puts "boosters" into the field.

When the average customer makes a complaint, it is of vital importance to him; if he holds a grievance, it is a serious matter. He may be to blame; you may have been negligent, or a third party may have been responsible, but no matter where the fault lies the customer wants immediate consideration.

While some complaints are certain to come from unreasonable persons, the percentage is so small with the average business, that they can hardly be considered in adopting a uniform house-policy for handling dissatisfied customers. Experience shows that the buyer is an exception who cannot be reached by the right kind of a letter.

The tactless letter which says, "Your claim is altogether unreasonable and could not be conceded," will only aggravate wounded feelings. Bluntness, indifference and intolerance are like so many slaps in the face.

But on the other hand, if the angry customer gets a reply of this kind, "We are very glad to take this matter up and assure you that any mistake will be adjusted promptly and satisfactorily," it immediately takes the edge off his temper. A spirit of fairness and a "we'll do our part" makes adjustment easy.

It is necessary to the satisfactory settlement of a complaint, to reassure the claimant immediately. Promptness in replying is the first essential. If a customer is compelled to wait for a reply, his grievance grows rapidly. And the longer the delay the more difficult becomes the adjustment.

One house turns the complaint-letter over at once to a special department. Letters are answered on a regular time-schedule, and the complaint is acknowledged promptly, even though actual adjustment may require considerable time.

Obviously the same methods of handling complaints are not applicable to all businesses but there is one fundamental principle: keep the complainant in good humor and satisfy him as far as consistent with circumstances and house-policy.

The manner of settlement depends upon whether the cause of the complaint is readily traceable or whether it needs careful investigation. The most familiar claims come under a "routine complaint" classification, for which there should be a settled policy of settlement. A certain number of these complaints are apparently inevitable and can be handled by a routine policy. They may be grouped in six divisions: delayed shipments, goods damaged in transit,

goods not as ordered, goods unsatisfactory, shortage, and shipment lost.

If the remedy for any of these difficulties may be applied quickly, form-letters are usually most economical and most convenient. But if the complaint demands any particular treatment, personally dictated letters handled only by correspondents trained for this work are essential. The use of a form-letter in such cases would merely increase the irritation and the reply of a tactless letter-writer would only make things worse.

In the handling of any complaint, whether just or unreasonable, the aim is to settle it with the least expense. So in all letters that deal with complaints the underlying principle is to appease the customer quickly and at a small cost, and at the same time strengthen the bond of interest.

A definite policy is usually followed in handling all routine complaints. For delayed shipment complaints one house finds a form-letter of this kind most effective:

"We are sincerely sorry that there has been delay in your shipment and we want to thank you for notifying us so promptly. At the same time please accept our assurance of an immediate investigation. We will trace the shipment at once. Won't you tell us if you are at any immediate inconvenience as the result of the delay?"

When the cause of the delay has been traced no time is lost in notifying the customer. In case the fault is that of the house, the customer is told so frankly. The letter asks if he can use the goods and a promise of better service is made. If the customer refuses to accept this proposition, some inducement is frequently offered, but if he still refuses, his money is immediately returned.

Even though the difficulty arises from no fault of the house, a willingness should be shown to assist the customer in every possible way in getting satisfaction for his inconvenience or loss.

It is a common experience that a short, snappy letter, even though it shows a warm interest in the affairs of the customer, is never as effective as a lengthy personal letter taking up every detail of the case. Here is one place where brevity

should be avoided. This is especially true with country and small-town customers. One letter of this kind opens:

"A careful investigation shows us that your order of the 19th, which you say has not been received, was filled and turned over to the Blank Express Co., the 25th--the same day it was received. The enclosed receipt will show you how carefully we, as shippers, make consignments."

Then the letter continues with a detailed explanation of why delays are often inevitable with the transportation companies. This house offers, in the letter, to stand back of the customer to insure that he loses nothing. It agrees, upon the return of a notation from the local express agent stating that the goods have not arrived, either to duplicate the goods or refund the money. This is adjustment beyond the point where the house is responsible, but it has proved a wise policy since it gives a confidence in the house that insures additional sales.

When goods are damaged in transit, as the result of carelessness or neglect of the transportation company, or as the result of imperfect packing at the house, the letter acknowledging the complaint usually paves the way for a quick settlement, at minimum cost. Many concerns ask the customer to secure the local freight agent's notation of the amount of damage and the condition of the goods on their arrival. This is made on the bill of lading and the bill is returned to the house, thus avoiding any question that might arise over the amount involved.

With some articles, the damage may be repaired by the customer, after an estimate of the probable cost has been accepted, and the expense borne either directly or indirectly by the house. In any case, it has been found most satisfactory to pay such claim at once, looking to the transportation company to make reimbursement later if it is responsible for the damage. With mail-order houses where re-orders are an important factor in the business, a cheerfully given refund or an entirely new shipment, when the damaged goods are useless, is practically the only thing to do.

Sometimes a fair valuation may be placed upon the damaged goods and the customer may be asked to pay only for value received. Transportation company reports are often long delayed and settlements slow, so it is usually best to make immediate

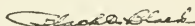
adjustments to show the customer that the house wants to help him—the house can better afford to wait for the settlement with the carrier.

In handling the complaint on goods that are not as ordered to often an attempt is made to convince the customer by argument that he should accept them. This is now considered a poor business policy by the better class of mail-order managers. While such complaints often arise through some fault of the customer in ordering—which the investigation readily proves—experience shows that the most profitable method of settlement in the long run, is to exchange the goods at the expense of the house. A letter of this kind is usually most effective:

Dear Sir:

We are very sorry that you find the goods are not as you expected. We have looked up the order and find that you inadvertently gave the wrong number, as you may readily see by the enclosed duplicate. While we do not feel that we are in any way at fault, we want to thank you for giving us the opportunity of making an explanation and of helping you out. If the goods are of no use to you we will gladly exchange them, for we would not have you dissatisfied for many times the small cost of shipment charges

Very truly yours,



And many times the customer will keep the goods, rather than ask so considerate a house to bear an unjust expense; or he will at least offer to pay the transportation cost.

But if the house is at fault through some mistake in the shipping department, it is usually advisable to tell the customer frankly. Point out to him that, even with the most careful attention, mistakes are sometimes inevitable; that the house sincerely regrets any inconvenience that may have been incurred through an employee's mistake; that if the customer cannot use the goods they will be exchanged without expense to him, and that in the future every effort will be made to guard against similar trouble. Such a letter is certain to give the customer a high opinion of the house and to make him a warmer friend than before.

Sometimes a discount offered on the goods sent will induce the customer to use them, even though they are not exactly as ordered, and this is often a more profitable method of settlement because of the expense of having the goods returned. And a small reduction in price will often settle a claim that bears all the ear-marks of an ugly situation.

The claim that the goods are unsatisfactory is the most difficult to handle. It requires tact of the highest sort. So the acknowledgment letter skilfully aims to ward off antagonism and then discover exactly where the customer finds a fault. Often it is merely a matter of opinion, and a little tactful explanation in the second letter will end the matter. Perhaps the customer fails to understand the nature and operation of the article or its proper application. Then a letter educating him to its qualities will restore him to a satisfied mood:

Dear Sir

We appreciate your fairness. Mr. Jones, in advising us of your difficulty in making Pacific Lead cover your surface well. With painters who are accustomed to mixing ordinary leads we can readily see how easy it is to go wrong when first mixing Pacific.

Pacific Lead is ground so much finer than other leads and it has a so much better body that it offers more resistance to the mixing paddle and makes the painter think he has not used enough oil, and consequently, he continues to pour in the oil until he has added so much that it impairs the body of his paint.

If you will use precisely the same amount of oil by measure with Pacific Lead as you would with ordinary brands when first mixing Pacific, you will find that our product will cover far better than the other leads. Gradually you can add more oil to your subsequent mixings of Pacific when you have become accustomed to the feel of the paddle in Pacific Lead. You will then have a paint that will not only cover fully one-quarter more surface than the brand you have been using, but one that will spread easier under the brush, give you a decidedly whiter job and prove more durable.

If there are any other points in this connection that we can advise you on, don't hesitate to call on us.

Very truly yours,

PACIFIC LEAD COMPANY.

With a practical explanation the correspondent attempts to bring the customer around to the house-attitude in the matter. If the goods are obviously at fault in some particular, an immediate reimbursement of money paid and expenses incurred is offered and every effort made to show that the house aims to be fair in all its dealings. If the fault is merely an imaginary one, the customer is treated as though he were as fair-minded as the house, and is assured that the trouble is not at all serious. But the customer is never left while he feels that he has been treated unjustly. If he refuses, absolutely, to be satisfied, he is asked to return the goods.

This method of handling the dissatisfied customer, with the average mail-order house, is profitable because of the advertising such a policy is certain to create. But it may not be adapted to the concern selling expensive specialties.

In handling and adjusting the shortage claim it is vitally important not to irritate customers through letters that carry an impression of suspicion. The validity of the complaint, for policy's sake, must be conceded. While the house usually finds an investigation necessary to avoid a recurrence of similar claims, this should be made in a way that will not give offense. Allowing such claims is almost always advisable.

Repeated complaints from the same customer are thoroughly investigated by most concerns, for a dishonest customer is seldom a profitable one; he should be eliminated from the customer-file or kept under a special "Black List."

It is the policy of one house to refill all orders as soon as it learns that the goods have failed to show up, provided the claimant secures the signed notation of the local express or freight agent that a shipment has not been received. There is little chance of heavy losses to the company by this policy, for, in case the goods cannot be located, the transportation company is of course responsible and the additional transportation charges, in case the shipment is found later on, is compensated for by the good will created on the part of the customer.

With routine complaints an immediate adjustment and, if necessary, a later investigation, is generally accepted as the most profitable policy, if the amount involved is not too large. But when an adjustment means the expenditure of a considerable sum it is necessary for the house to know all the details of the trouble before making or refusing a settlement.

A careful investigation usually indicates the most effective policy to adopt.

As in the settlement of the small routine complaint, the making of a big adjustment is strongly influenced by the attitude of the house in its letters. The buyer of the goods always wants assurance that his claim will receive immediate attention. So the first purpose of the letter in handling detailed investigations and making big adjustments, is to show the willingness of the house to be fair and just; to pave the way for such steps as are necessary in the investigation and to keep the customer in good humor until some definite action can be taken.

The actual investigation and adjustment of complaints on big sales should be handled by a house-representative or by a disinterested third party. One house that has established an enviable reputation for fairness and equality in adjustment matters, immediately upon the receipt of the complaint, mails a letter expressing regret that there is cause for dissatisfaction, assures an immediate investigation, and promises an early report. This first letter plays for time and aims to put the customer in the right mental attitude.

Then, if the customer is not too far away, a representative is sent out to make a personal investigation. Otherwise the services of a local attorney are secured and the investigation made through him.

If this investigation shows a fault in the article sold—some imperfection for which the house is to blame—an immediate allowance is granted on the basis of the amount of damage in the goods or the inconvenience incurred by the customer, or, if unusable, the goods are replaced or purchase price refunded.

In case a transportation company is at fault, the customer is so informed and every assistance possible is given him in securing satisfaction for his inconvenience or loss.

But where the customer is at fault, or where the claim is obviously unjust, the policy adopted depends largely upon whether the house, for the sake of future business, can afford to assume the claim, or stand pat on its rights in the case.

Where the refusal of a settlement may mean a big loss in future business, it is often deemed advisable to make an allowance, to meet the customer half-way, or to cut a certain percentage from the bill and "charge it to advertising." But the letter granting this allowance should be so worded as to ward off

any impression that a "kick" is always followed by a shading of the bill. The position taken by one house is clearly presented by such letter as this:

"While we cannot feel in any way responsible, we want to do all in our power to help you. We aim to maintain the most pleasant relations with all our customers, and believe our previous more than satisfactory relations warrant an exception to our usual rule in this particular case. So we have decided to bear a part of the cost and allow you ten per cent on your bill "

If a claim is refused, it is always desirable to give the customer the impression that the house cannot consistently concede his demands. This letter must be based entirely upon the interests of the customer, and be made so reasonable that he will be convinced of its fairness.

By calling his attention to the position of the house, and then showing him the difference between its established policy and his position; by showing him the damage the granting of his demands might do the business; and lastly, by thanking him for the opportunity of making an explanation, the "rough edges" are smoothed over and he usually remains a loyal customer.

A very small percentage of big adjustments can be handled by letter. Many concerns, selling delicate or very expensive specialties, maintain traveling adjusters who settle claims in the most profitable manner for the house. But in all cases, the house backs up the adjuster with letters, the purpose of which is to make his settlement more satisfactory.

Since there are very few business concerns today that are without competition, this fact must at all times strongly influence the method of handling a complaint: no one but the man at the postoffice can be indifferent to future trade. The man who sells merchandise of any kind must seek at all times to satisfy; he must appreciate the fact that considerate and sympathetic treatment of customers is the only sure way to build business on a sound foundation; and he must remember that the satisfactory settlement of a real complaint is just as important to the house that wants to grow, as the filling of an order.

Finding The *Right Attitude* Toward COMPLAINTS

PART XV HANDLING THE LONG-DISTANCE CUSTOMER CHAPTER 69

IN HANDLING *the distant customer who has a grievance, there are two factors that will determine his future relations with the house: the satisfactory adjustment of the complaint and the ATTITUDE ASSUMED in making the adjustment. And in many cases the attitude shown in the letters are the dominant factor, for if the customer is convinced that the house intends to treat him honestly and fairly, satisfactory adjustment is a matter of detail. Whether adjustment should be made before investigation or whether investigation should precede adjustment, and the attitude to assume, are the practical subjects taken up in this chapter*

HAVE you not at some time returned to a dealer an article that was not satisfactory and had him grumble about it and then slap down the money on the counter in a way that hurt more than as if he had refused to take back the goods? You got a settlement just as far as money would go but you walked out of the store vowing never to buy another thing there. He squared things with your purse but not with your ideas of good business; he entirely overlooked your mental attitude; he lost a great opportunity to win your loyalty—to take out insurance on your future business.

This policy is even more disastrous when applied in letters and it has taken some mail-order men a long time to learn that if a distant customer can be brought into the right mental attitude toward the house, the actual adjustment of his com-

plaint is a matter of detail—the pocketbook is easily appeased.

A mail-order house that had imperceptibly developed a losing attitude toward complaints, finally found themselves in the light of retrospection, the result of which was the organization of a special complaint department with three specific and inviolable rules: promptness in answering every complaint; a careful consideration of the reasons for the complaint and probable mental attitude of the complainant so that the reply can be shaped to carry the impression of sympathetic and personal interest; and third, an unwavering truthfulness and dignity that will create respect and tighten the bonds between customer and house.

Sooner or later every successful mail-order house discovers this fundamental idea upon which effective handling of complaints must be builded, whether they are insignificant or important, whether faults of the seller, or of the buyer, or due to outside influences over which there can be no direct control, the first thing to do is to impress upon the customer the intention of the house to treat him fairly and honestly. The next thing is to impress upon the correspondents the fact that the customer's interests must receive full and immediate consideration. The house under no consideration should try to cover up or gloss over its own mistakes or find fault with the customer for his errors.

A mail-order house sold a go-cart to a customer in Minnesota and complaint was made that it was badly marred and scratched. The correspondent to whom the letter was referred wrote:

Dear Sir:

We are surprised that you should try to hold us responsible for the damage to your go-cart for we have an inspection service to guard against imperfect goods going out. Our packers know just how to ship furniture so it will not be marred and I feel certain that the damage was done in uncrating. Probably a nail was dragged across it or something of that kind and now you look to us to make it good.

Under the circumstances it seems to us you ought to get some furniture polish and it is probable a few minutes rubbing would make the go-cart look as good as new. You can see what a big expense it would be to us to have the cart shipped back and

another one delivered and in view of the fact that the damage was probably done in unpacking, we do not think you should expect it.

Very truly yours,

THE MID-WESTERN SUPPLY HOUSE.

It happened that a neighbor about that time ordered a go-cart from a competing house and through a strange coincidence, it, too, was marred. The correspondent replied to the complaint:

Dear Sir:

You don't know how much we regret that the go-cart reached you in a damaged condition. While our records show that the cart was all right in every way when it went through the inspection department, yet under no circumstances would we want you to keep anything from our house that is unsatisfactory.

From what you write, I infer that the cart is only marred and scratched and I have not the least doubt that a little of our Charter Oak Furniture Polish will give just as fine a finish as when the cart left the factory. We are sending you a bottle and polishing cloth, and probably five minutes' work will make the cart look as good as new.

But if it does not, we will make it right. Either we will make you a cash rebate and you can keep the cart, or you can return it at our expense and we will ship you a new one, express prepaid.

Won't you try the polish at once and let us know if it is satisfactory? If it is, it will save you an annoying delay in getting another cart. Please write us regarding it at once.

Very truly yours,

BROWN & BROWN.

By *Thomas White*

Sales Manager.

In the first case, the customer was not in a very good mood when he made his complaint and the letter he received rubbed him the wrong way—put him in a frame of mind where nothing would satisfy him. He wanted his pound of flesh. The

cart had been sold under a strict guarantee and eventually the company had to refund the purchase price; it was out the transportation charges both ways and it lost a good customer—all on account of a wrong attitude in handling the complaint.

Meanwhile his neighbor, put in the right mood by the spirit of fairness and the emphatic assurance that his trouble would be fixed up at any cost, tried the furniture polish, made the car look all right and told all his friends, "Brown & Brown certainly treat their customers white."

These two cases, happening to neighbors at the same time, illustrate the difference in attitudes of two houses. One house is struggling along, hardly holding its own; the other has trouble in extending its organization fast enough to keep up with the growth of the business. Both houses are strong on guarantees of satisfaction: the only radical difference between them is their attitude in handling long-distance customers.

A new concern is apt to be over-suspicious of the complaints from unseen customers—distrustful of the motive, but a conviction of experience is that a very small ratio of false complaints reach the average house, especially if the trade is in the rural districts. One mail-order house estimates that ninety-nine per cent of its customers are honest, and according to its records not more than one-tenth of one per cent of the patrons make false claims intentionally. Since it is better that crooked customers should be disposed of at once, and as the number is so small, it follows that the complaint department has a vital work—a constructive function in developing a business. On the proper attitude toward complaints and a satisfactory policy of handling them, may depend the growth of the house, for unadjusted complaints will in time ruin any business.

So with that mail-order house it is very necessary to maintain a relationship between house and customer that will call out all complaints whether they are justified or not. If the complaint is warranted, the house should know it and adjust it and if it is a fancied grievance it is important to restore cordial relations.

Because of the importance of this mental atmosphere, the policy is often adopted of seeking complaints and making adjustments in order to impress upon the minds of patrons the desire to do the right thing at all times. To emphasize this position the correspondence, complaint and advertising departments co-

operate with each other. Letters contain the reiterated assurance that the house guarantees satisfaction and considers a complaint a real favor. This atmosphere permeates the correspondence and then back of it all is a rigid inspection that assures absolute reliability of the product. Ready adjustments are often the finest kind of advertisement—they insure satisfaction and a continued good will which is an intangible but very real asset.

To get the mental attitude and view-point of the customer is obviously one of the most important considerations. Many complaint-correspondents brush aside all immediate surroundings and imagine themselves sitting in the customer's chair and in his own mood. Then these four questions are considered:

First. Has he any just cause for complaint?

Second. Is he writing through ignorance of some condition or circumstance?

Third. Is anyone in this office either wholly or partly to blame for the complaint?

Fourth. Is he trying to impose on us?

Usually these questions, if put honestly, can be decided definitely, yes or no. And they are applicable to practically every business. To dodge them is a confession of inefficiency. They are the test of ability to write a fair, reasonable letter. If the customer *has* a just cause for complaint, he must be handled from that standpoint alone. If he has not, the proposition is more difficult.

One house finds it well to begin all letters, whether in answer to a just or an unjust complaint, in one of these ways:

"We are sorry you have been subjected to any annoyance;" "We understand your feelings on the subject;" "We regret that we cannot see you in person to talk the matter over." The question is always taken up from the customer's standpoint, agreeing with him, taking the fight out of him in the very first sentences.

"If *we* were buying," is the attitude of these letters, "we should no doubt feel the same way."

Get at the complainant in the beginning, secure his attention and good will as a foundation for what you hope to impress upon him later. This is the secret of good complaint-letter writing, just as it is of good salesmanship: *his own interests*, not yours, is the shortest route to the desired ends.

There is no doubt about the desirability of taking the edge off the complainant's temper by starting with a word of sympathy, agreeing with him, but the correspondent who does not understand the working of the human mind may spoil the effect of his letter by "coarse" work.

A new correspondent in a manufacturing house selling by mail was told to take the "you are right" attitude in answering all complaint letters and wrote:

"We do not blame you for writing as you did in your letter of the 3rd and we regret that the new Franklin Sewing Machine is not proving satisfactory.

But we find the shipment left here all right and the trouble must be at your end of the line. I have no doubt it is due to the fact that you have not adjusted it properly. We know there was no serious defect in the machine. I take it that the trouble is due entirely to ignorance in operation."

The head correspondent pointed out the stultifying effect of a letter where in one paragraph the complainant is assured that he is not to blame and then in the next paragraph bluntly told that the fault is all his. And this is the trouble with so many letter writers: they get a more or less clear conception of some fundamental principle but apply it so crudely that the effect is entirely lost. In this particular case the head correspondent re-dictated the two opening paragraphs:

"Thank you for calling our attention to the trouble you are having with your new Franklin Sewing Machine. We always want our customers to let us know at once when anything is wrong, and nothing could please us more than to have you write us in this frank manner.

"It is hard to say definitely what causes the trouble but we can assure you that it is nothing serious as all machines are tried out before shipping. Evidently in handling in the train or unpacking some little part worked loose or worked tight and all that is needed is a slight adjustment. The beauty of the Franklin is that it is so simple in its mechanism that you will be able to adjust it just as easily as our highest priced machinist."

Then the letter went on to give directions for locating the seat of the trouble and remedying it.

Here again it was simply a case of finding the right attitude and applying it intelligently.

It is the mark of the skillful correspondent to enter into the customer's viewpoint and admit at the start, not necessarily the justice in the complaint but the propriety in bringing it directly to the house. This will put the customer in the right

Dear Madam:

We are surprised that you should demand a money refund on the shirt waist purchased by you on the 12th of last month. Please stop and consider that you have worn this garment for several weeks, and that you have already had more than full value for the small amount you paid for it. We feel that your attitude is unfair. How long do you suppose we would remain in business if all our customers used the things they buy, and then tried to return them several weeks later?

However, if you still insist that you have been defrauded, you may return the waist and we will examine it carefully to determine whether you have any just cause for a complaint. If we find that it is, as you claim, defective in the grade of material used, we will refund your money.

Very truly yours,

Morton & Morton

This letter was written to a long-time customer by a small-caliber correspondent who thought to save money by letting customers understand they could not impose on the house. It meant not merely the loss of a good customer, but the falling off of orders from her section indicated that the house was given a bad name which it would take years to live down. The correspondent was soon replaced by one who understood the value of a customer's good will, and how he handled a similar complaint is shown by the letter on the opposite page

mood for the explanation that follows without violating any ethical standards or without putting the house in a ridiculous attitude.

If a complaint is unfair to the house, the complaining customer should be shown, from his own angle, that the house can not concede the demands without jeopardizing its own interests and the interests of its customers. These letters might

show that such and such a price or policy would mean poorer qualities, or the failure of some vital plan for the actual benefit of the customers, or unfair discrimination which could not fail to hurt the customer in the end.

Fear Madam:

We want to thank you for calling our attention to the imperfect garment which you bought several weeks ago.

You don't know how we regret such occurrences as this, but with the great number of garments that daily pass through the inspection department, it is apparently inevitable that once in a while an imperfection will slip by unnoticed. You may be sure we aim to eliminate such mistakes entirely, and so we feel very grateful when a customer takes the trouble of notifying us.

We are very glad to comply with your request for a duplicate of the waist you ordered, even though you have worn the one previously sent, and we assure you that we would not have you wear an imperfect garment or feel dissatisfied with the goods you receive from us for many times the price of this one particular waist. It is our policy to give satisfaction always, to all our customers.

So, we are expressing another garment to you today, prepaid, and feel sure you will find it perfect and in every way satisfactory. We hope that our previously pleasant relations will continue, and that you will, in your future orders, find no cause for complaint.

Very sincerely yours,

Sketchell Bros

This letter represents the attitude now adopted by most of the larger mail-order houses. While the actual cost of the adjustment of the complaint, including express charges and time of correspondents, amounted to nearly \$2.00, it was considered a small price to pay for the re-establishment of good will and for the publicity the pleased customer was certain to give the house. It is contended that the expense is justified by the advertising the house receives

Misunderstandings, too, are usually explained most successfully with this policy of putting the customer's interests in the lime-light. There is always some twist that can be given to an argument which will appeal to the self-interest and reason

of the buyer. Then this attitude makes it easier to assume a more rigid adherence to a settled house-policy and to hold a tighter rein over customers where this is necessary.

The tactless letter that starts out by telling about the precautions which the house takes to guard against just such errors; that goes on at length describing the system of inspection, packing and shipping; that intimates the customer must be misrepresenting or is a crank—and then, after he is mad through and through, winds up by saying that if the goods are returned the order will be replaced, is unpolitic in the extreme.

If it is the intention to send new goods or refund the money, say so quickly—and make a friend; thank the customer for calling the matter to your attention, and then, if it seems desirable, tell about the rules for inspection and shipping, instead of insinuating that the mistake must be at the other end of the line. Admit that there is liability of error in the best-arranged systems, and express regret that such a slip has occurred.

The difference in these two attitudes is illustrated in the letters reproduced on pages 192 and 193. The actual adjustment is the same in both cases but in one the attitude would alienate the customer and in the other would bind him closer to the house.

If the policy is to show a disposition to be fair and guard against the return of the goods, as in the case of the concern which depends more upon the one-time order than the future re-orders, tactfulness is again the instrument that is indispensable. While with concerns of this class the same attitude of interest and consideration for the customer's side of the difficulty is found essential, the purpose of the adjustment letter is to carry the impression that the house has been fair and aims never to deceive. Here the whole idea is to persuade the customer to keep the goods and at the same time make him satisfied. It is often found necessary practically to re-sell the goods before this may be accomplished. So settlement letters of this kind are frequently made educational, always bearing closely upon the source of the complaint. When dissatisfaction is caused through an incomplete knowledge before the sale of the exact nature of the goods, an educational letter creates a new desire.

To assume in these cases that customers are always right is not only disastrous, but an incentive to dishonesty as well.

How not to handle a complaint from a customer who wants to return goods with which he is dissatisfied is shown by a letter from an eastern publishing house:

Dear Sir:

We have your letter of recent date. We note you state the books do not meet your expectation. If you expected or intended these books for any particular purpose, you did not so advise us. We had no means of judging from your order as to what you expected of these books, and you understand we could not stop to inquire.

When you gave us an unconditional order we presumed, of course, you knew what you were buying. We cannot stop to inquire of every purchaser what use he expects to make of these books.

It would be useless for you to attempt to return the books as we could not accept them.

Yours truly,

Mitchell Bros.

This letter sounds as if the writer were trying to rub vinegar and salt into the wounds of the aggrieved purchaser instead of trying to sooth him and re-sell him. How such a complaint can be handled cleverly and save the order is shown in the letter on page 130. The proper attitude is to re-awaken the desire to keep the books. Salemanship may be just as necessary in handling the complaint as in securing the order. In fact, making the customer feel satisfied is the highest achievement of the salesman.

One of the most successful mail-order houses of the country sums up its attitude in handling complaints as "promptness, absolute truthfulness and unflinching courtesy." Fixing responsibility for an error is not the thing that concerns the customer: what he wants is the prompt assurance that his grievance will be taken care of in a spirit of fairness. As a matter of business a complaint must be settled equitably—as a matter of future trade, it must be settled promptly and in a way that will leave the customer in the right frame of mind. The actual adjustment is frequently a costly process; using the right attitude costs nothing and yet it is the most important factor of all in re-establishing good will and in securing future business.

How To SYSTEMATIZE The *Complaint Department*

PART XV HANDLING THE LONG-DISTANCE CUSTOMER CHAPTER 70

A CERTAIN NUMBER of complaints are inevitable in any business, but the mail-order house, with the many opportunities for mistakes in ordering, in filling orders, in packing and in transporting goods to distant customers, necessarily has more complaints to handle than the retailer who shows an article or goods to a customer before a sale is made. THE BIG PROBLEM is to ADJUST ALL COMPLAINTS PROMPTLY and at the SMALLEST COST. To do this, system is necessary—system in handling the clerical routine, in tracing or replacing the goods or refunding the purchase price and locating the cause of the error. How this may be done is the subject of this chapter

NOT long ago a rapidly growing mail-order concern shipped an expensive range to a Montana buyer. It was refused because of a broken part. A duplicate range was sent, and refused for the same reason. A settlement was finally effected by making a liberal discount on the bill. The sale cost the house \$33.43.

But it happened to come to the notice of the general manager and indicated a serious lack of system in some departments of the house. He made an investigation that brought to light over fifty returned stoves—damaged and useless until repaired—that instead of being checked out for repairs when refused and returned, had gone back into the regular stock and sooner or later would be sent out again. No record of returned goods

or of the complaints that accompanied them, had been kept. The house had outgrown the system that had been used years before for keeping such information, and an adequate system had never been installed—a situation that every mail-order house is likely to meet at some stage of its development.

An inadequate complaint correspondence department, together with insufficient checking by complaint clerks and tracers, had left records so indefinite or in such confusion that they were useless.

A reorganization of the complaint department was necessary to guard against repetitions of such costly mistakes. It was decided to establish a definite route through which complaints must go before being turned over to the filing clerk and marked "adjusted." The management aimed to promote efficiency along four definite lines:

1. By prompt and efficient handling of correspondence and by securing the proper attitude in letters to complaining customers.

2. By making the investigations as easy as possible, arranging for cooperation between tracers and correspondents.

3. By preventing confusion and inaccuracy in keeping records; leaving them comprehensive and convenient for future reference.

4. By locating any weakness in goods or service so that a remedy could be applied at once.

First of all, the name "Complaint Department," was dropped, because of the psychological effect on customers. "Adjusting Bureau" was adopted instead and all printed matter and rubber stamps were changed to conform to the new idea. Capable correspondents were put under the direction of an expert complaint man, who was held responsible for the work and for the reports of clerks and tracers.

Next came the perfection of some system for rapid handling of incoming claim correspondence. A "complaint basket" was added to the mailing table, into which the sorters put letters that should go to the complaint department. To each of these letters is attached a "correspondence schedule" slip, showing what departments it must pass through before filing. The date and hour when a letter should clear each department is indicated on this slip. To insure a close adherence to the time-schedule, each department handling the letter is required to

stamp on it the hour of clearance. For example, if a customer demands the exchange of goods, the adjustment calls for three distinct operations: the receipt of the complaint is first acknowledged; the goods previously sent are traced to discover the source of the trouble, and the duplicated goods are packed and shipped. The correspondence department forwards the answered letter to the tracer, who makes a notation of the result of his investigation and after attaching it to the letter forwards it to the order department. From the order department, the letter and memorandum is returned to the correspondence department for filing and the attached schedule slip shows

WEDNESDAY SCHEDULE SLIP <i>Must Clear T68 Nov. 22, 11:30</i> <i>Must Clear T64 Nov. 22 12:30</i> <i>Dept. Handling must clear by Nov. 23, 10:30</i>	140	HOLD-OVER
	145	DELAY
	153	EXCHANGE
	154	REFUND
		139 X
	160	INDEFINITE
	162	DAMAGE
	165	SHORTAGE
	170	SPECIAL
	175	SECOND COMPLAINT

This schedule slip, used by a mail-order house, indicates the departments through which the complaint must pass and the time it must clear each. In this way the complaint is routed and timed from the moment it reaches the complaint basket

the time of clearance from each department through which it has passed.

The letter acknowledging the receipt of a complaint is usually dictated by the head of the adjusting bureau or some other experienced correspondent, as a diplomatic reply is often a most important factor in the restoration of the customer's good will.

Then the fixing of the responsibility for any error in the previous transaction is taken up by the bureau's tracers. They are required to investigate all complaints fully and, if necessary, follow every step on the entire route taken by a shipment. In cases of an overcharge, or when, for any reason, the customer is entitled to credit, a check is made out by the head of the department and mailed to the customer. A notation to this

effect is made on a report slip attached to the letter, and a duplicate is sent to the accounting or auditing department.

If the complaint concerns a package that has been missent, the tracer goes to the shipping or packing department, locates the missing package or takes it up with the transportation company and investigates the cause of the error. The missing goods may have been missent, lost or stolen in transit, in which case it is the tracer's place to see that they are properly delivered or duplicate goods sent, or a refund made. To systematize these investigations, a "claim tracer ticket" with all special instructions attached is given each tracer. This is filled out after the investigation is made and attached to the original letter. A duplicate is left with the department at fault, as a guard against similar errors. This is the form of tracer ticket used by one large firm:

TRACER _____	
CLAIM NO. _____	DATE _____
CLAIM TRACER	
CONTENTS OF PACKAGE _____	CASH C. O. O.
CONSIGNEE TO _____	
ADDRESS _____	
EXPRESS CO. _____	
R. R. _____	
CLAIM _____	
REPORT _____	

A form of claim tracer ticket furnished each person making investigations by one successful house to systematize this work. The tracer is attached to the original letter and filed for future reference

The report of the tracer is valuable for reference, and is turned in with the original letter, and a notation of the settlement made and copies of all correspondence sent. Then all information regarding it is transferred to an "adjustment card" for convenience in later reference. These cards are filed alphabetically. Original reports are filed in an adjustment correspondence file and the adjustment card in a separate

card file. Thus all data connected with the adjusting of the complaint is convenient of access and a periodic examination of the adjustment cards shows accurately how efficiently the work is being carried on, and also indicates weaknesses in any particular department.

To provide a record of returned goods, the receiving clerk makes out a "Returned Goods" slip, in triplicate form, on which is entered the name of the complainant and a description of the returned goods. One copy goes to the file with the original records, the second goes to the filing clerk, who makes

RETURNED GOODS				
RECEIVED _____ 19__			RECEIVING CLERK'S NUMBER _____	
FROM _____			COMPLAINT NO. _____	
GOODS OF DEPARTMENT _____			CHARGES _____	
NUMBER	SIZE	ARTICLES	NATURE OF CLAIM	RESULT OF INVESTIGATION
SEND THIS MEMORANDUM TO COMPLAINT CLERK				RECEIVING CLERK _____

To provide a careful record of returned goods, a slip of this kind is sometimes made out in triplicate form; one copy going to the original record file, another to the adjustment file and the third remaining with the receiving department

a notation of its contents on the adjustment card and the third is held by the receiving department. When the goods are received they are marked with a red tag bearing the series number of the "Returned Goods" slip. All letters coming in relative to the returned goods are also noted on the adjustment card and then filed with the original information and records. In case one of these letters requires a later answer, it is temporarily placed in a "tickler file," and when the reply or report has been sent on the time indicated by the tickler, the correspondence and copies of the reply are filed with the other records.

This system has been described because it is comparatively simple in its operation and can readily be adapted to meet the

It may be advisable with some concerns to use even more detailed records of adjustments. One large mail-order house watches claims by departments. A department record sheet is made out for monthly reports on the number of claims. This

[illegible]

The upper sheet is the regular customer's adjustment card containing the complete record of the claim and its settlement. The middle card is a record of defective goods sent to the factory inspector, a duplicate of which is placed with the original order and correspondence. The lower card is the departmental monthly report sheet showing the full record of complaints by departments.

By footing the departmental sheet at the end of each month, the number of complaints lodged against each department is readily determined and the number of complaints each customer has made is also shown. This sheet therefore becomes an accurate check both on department and on customers.

Another monthly report card is sometimes kept, which shows the pieces of each class of goods returned. This is kept in two columns under each heading. The left-hand column contains the number of returned pieces of goods that may be placed back in stock: the other shows the pieces received in bad condition. Then, in order to relieve the receiving clerk of carrying too many slips of goods returned, a weekly report is made up, showing what disposition he has made of them.

A monthly report, giving a summary of all complaints showing where the responsibility rests, and indicating the settlement made, is turned over to the manager for his inspection. This gives him the information necessary for shaping new policies or tightening up the organization whenever inefficiency may be apparent.

These systems have proved practical in the most exacting mail-order businesses and are applicable, at least in part, to the average house.

The fundamental principle on which the adjusting department should be systematized is to provide quick, intelligent and effective handling of every complaint. There is needless expense and loss of patronage resulting from complaints that are not handled expeditiously. Systematizing not only aids in eliminating complaints, by showing the source of the trouble so the remedy may be applied, but by careful records of past difficulties the house is at all times protected against false claims, and the knowledge that negligence is certain to be detected keys up the efficiency of all who have anything to do with filling orders.

How To ELIMINATE Complaints

PART XV HANDLING THE LONG-DISTANCE CUSTOMER CHAPTER 71

ALL CONCERNS *doing business by mail have a common problem: keeping the number of complaints down to the minimum. This chapter shows how inspection in the factory and in the shipping department keeps down errors; how stock reports prevent delays from shortage and, by PLACING RESPONSIBILITY, guard against carelessness. It shows how customers may be educated to the use and operation of new products and how complaints may be forestalled—methods and systems in successful operation in some of the largest houses in the country*

ONE big obstacle in handling distant customers is the high cost of complaint settlements. With the average house, an immediate adjustment of claims is not only advisable, but by many considered absolutely essential. Refusing to settle a claim, even though the house is not at fault, creates an undercurrent of dissatisfaction that sooner or later is reflected in a loss of business. So the big problem is not how to handle complaints, but how to eliminate them.

Cutting out the "kicks," by adopting methods and systems that will remove the causes, is a vital part of business management. There are four distinct systems to prevent errors and delays that may be installed in the average organization:

1. An inspection system which guarantees the quality of products; and prevents complaints regarding goods.

2. A products-distributing system which assures a sufficient quantity of goods or of stock on hand and in shape for immediate shipment from the warehouse. This is to prevent complaints from delay in filling orders.

3. An ~~order~~ and shipping system which assures accuracy in filling orders, and cuts down the number of complaints on the wrong goods sent.

4. Some method of encouraging cooperation, which keeps the working force interested in the business. This tends to lessen the errors due to carelessness and ignorance.

Inspection in both factory and warehouse is absolutely essential to a standard quality. No factory is so perfectly organized that mistakes will not occur—no selling organization should overlook the necessity for some method of detecting imperfections before they reach the consumer. The house having both a factory and a mail-sales organization, finds this double inspection system the only safe method of eliminating complaints on quality. These systems are distinct, one representing the producing end and the other the distributing end.

In some houses the majority of complaints come from imperfect goods, and the more rigidly the standard is maintained, the fewer "kicks" will be registered. Take the factory or manufacturing end as the first source of trouble through imperfect quality. Here inspection cannot be too rigid. In testing and inspecting manufactured products, such as machines or apparatus, most reputable concerns allow plenty of time for a complete examination of the goods. No pressure of orders will justify slighting this inspection of raw materials, and during the process of manufacture all operations are under the supervision of foremen responsible for maintaining a fixed standard.

Another test is usually made after the assembling of parts, and the machine or apparatus is put in actual operation to detect any imperfection. In order to locate responsibility, if imperfections should be discovered later, it is advisable to have the inspector put his initials on the article. A checking ticket sometimes accompanies an article to the warehouse. This has the name or initials of the chief inspector. Full reports of daily tests are sometimes required for the warehouse and the factory manager. With such a system it is practically impossible for carelessness to survive, for it permits the immediate placing of responsibility.

Close inspection is also necessary with all manufactured articles, such as shoes, clothes, prepared food-stuffs, and so on. Where packing is done at the factory, this must also be inspected properly. And the same precaution should be taken to make later investigation easy. The first step in securing a standard quality of the product is the establishment of proper factory precautions. The second inspection, when an order is filled, is equally important. It is necessary for inspectors to have a thorough knowledge of the goods which go through their hands. This examination is a further guard against visible defects which originate in the factory.

One of the largest mail-order houses in the country has established a department, the sole purpose of which is to trace back complaints to the cause in order to devise a remedy and apply it. This department has none of the duties of the regular department; it takes up the investigation just where the regular house investigation stops because of limited time and pursues the trouble to its source. For example, if several complaints of broken parts on a stove indicate that there is a fault in the manufacture of that part, the factory is notified of an imperfection, and instructed to take steps to prevent future trouble. But the investigating department goes beyond this point. It goes to the factory, finds where the wrong materials or methods are used, and sees that the quality is brought up to standard.

But even with inspection systems that bring the output to the highest possible standard, a house may still be burdened with complaints, because of delays in filling orders. To eliminate such complaints, some plan is necessary to keep the right quantity of stock ready for shipment. Since the average department buyer or manager is apt to underestimate the demand at times or perhaps to overstock, this factor in distribution must provide for a system by which the quantity of goods on hand can be watched. The manager of sales has comparative records, showing the amount of business done in previous months and years, and many concerns make up an estimate from this information to guard against a shortage in any line. In this report, a minimum quantity as well as a maximum quantity is usually fixed, and to prevent stock dropping below this minimum, reports are made periodically to the proper authorities. Under this system, any indication of a heavier or lighter demand will be immediately provided for.

Below is shown a stock report used by one mail-order house. This shows at the end of the week the stock on hand in each department and enables the buyer to keep "ahead of the game," thus eliminating the complaints that might otherwise come from delays in shipment, or the substitution of other products.

The lack of system in handling orders, in packing and in shipping is probably the most frequent cause of complaints in the majority of mail-order houses. A simple multiple-carbon system will go far to prevent errors by clerks, for in this way one man can keep tab on a large number of orders; then when shipments are going slow he can immediately sink in the spurs. Errors in shipments and invoices are brought to light and responsibility readily traced—which is the surest way of guarding against a recurrence of the trouble.

Some effectual system of checking is necessary to guard against errors in packing and shipping. In one house the orders are made out in duplicate by the shipping clerk, and checked and routed by the forwarder. The forwarder holds a check on the shipping clerk. For instance, if the order is for a mechanical device, it usually has a printed list of items and parts. The order is assembled by the shipping clerk, and all these parts are carefully checked off. Then the forwarder goes over the parts once more, and rechecks them from the printed list. He affixes his signature and becomes directly responsible for the correct-

STOCK REPORT					
DEPT.					
STOCK NUMBER	ARTICLES	10/17	10/24	10/31	11/7
SSW-89	<i>Kumee 1/2 doz in Set</i>	12 doz	19 doz	16 doz	14 doz
" 200	" "	16 " "	16 " "	16 " "	18 " "
" 210	" "	34 " "	24 " "	18 " "	12 " "
" 185	<i>Fork 1/2 doz in Set</i>	20 " "	10 " "	25 " "	22 " "
" 205	" "	40 " "	20 " "	60 " "	48 " "
" 105	" "	35 " "	35 " "	35 " "	35 " "
" 215	" "	50 " "	42 " "	33 " "	26 " "
" 75/150	<i>Trayboard 1/2 doz in Set</i>	44 " "	22 " "	65 " "	51 " "

The department managers of one mail-order house make up weekly reports of stock on hand for the benefit of the house buyer, in order that he may guard against running short on any particular article

ness of the order. The goods must then pass through the hands of the packers, where similar rules are followed.

A general mail-order house, to insure rapid handling of goods, stamps the time of receipt on the incoming order, then stamps the hour when it should go through each department—packing, checking and shipping. Space is provided on the duplicate order blank for the time schedule and a “back-order ticket” from the shipping room makes it possible to keep tab on the order and see that the goods are started on time.

Most large concerns have a routing department which determines the route for shipping and decides whether it is best to send by express or freight whenever customers fail to give instructions on such points.

Every house is occasionally caught short on some line, and when this happens the only thing is to send part of the order with an explanation that the other articles will follow later.

To eliminate shortage complaints, caused by carelessness in packing, when the articles are so small that there is a danger of their being left on the packing table or dropped, a system of double checking is often used. To avoid complaints from the customer after the goods are received, he is asked to check over the invoice at the freight station or when unpacked, and if there is a shortage or damaged goods, to get a signed statement to that effect from the agent of the company.

It is possible to ward off later complaints by enclosing a letter of this kind with the invoice:

"Check over this invoice carefully. See that everything is correct. Be sure that the goods are not damaged and that no article is missing. In case we have not heard to the contrary within the next six days, we will assume that the invoice is correct."

This strengthens the position of the house by affording an opportunity to correct mistakes before complaint can be made.

The leading mail-order houses make it a special point to create good will, and they aim to inspire such confidence that the customer will expect to be pleased—an attitude prompts him to overlook little imperfections in the service.

One large concern goes to great lengths to create this attitude, looking upon it as one of the factors in its success. Every piece

of literature it sends out is carefully written to inspire confidence, interest and a spirit of cooperation. Catalogues, order blanks and other printed matter impress upon the customer the chance of freight delays, and educate him to associate delays with the railroad company, at the same time encouraging him to order long enough in advance to guard against any disappointment due to some unavoidable delay.

It is even possible to strengthen the position of the house by writing the customer when an order will be shipped and suggesting any particular attention that should be given his shipment. This flatters the buyer and shows him that the house is anxious to give all possible attention to his order.

Many concerns have found it "good business" to go direct to the working force and engender the proper feeling of cooperation among the men, to secure greater efficiency in the house service and in this way ward off many errors. Executive officers hold frequent meetings, either including all the department heads or taking in the entire working staff of some department, to discuss conditions in service. Sometimes a meeting of the entire working force is held. Employees are encouraged to tell of any difficulties which they believe should be remedied. These meetings also consider the complaints received and ways of eliminating them.

A house that has been especially successful in eliminating complaints, makes an immediate adjustment, and then starts an investigation to find the cause. This may involve a dozen ramifications, but the policy of this house is never to hesitate over the expense of any such investigation, for while the original claim may have been only a dollar, and it may take ten dollars to locate the source of trouble, the money is well spent.

The evident willingness to back up a product has a psychological effect upon customers. As long as the customer is sure that the house will meet him more than half way when he is dissatisfied, he is less liable to complain.

Complaints may sometimes be anticipated and warded off. If some article has brought in several complaints, or enough to show that it has not been up to standard, it is safe to assume that other complaints will come from the same source. One house anticipates such complaints by educating the customer and thereby avoiding dissatisfaction that would inevitably lead

to a complaint. For instance, a mail-order manufacturer of paints guards against complaints by a letter of this kind:

"One or two of our customers have advised us that our Double X grade of EVER-READY paints does not spread readily. In each instance this was not the fault of the paint but of the persons applying it, for they attempted to mix other ingredients with it. So we want to warn you now, before you have any trouble along this line, to use the paint just as directed. And be very careful to stir it thoroughly before applying it."

Another house headed off complaints where a mistake had been made on a cream separator, sold by mail, by rushing a letter of this kind through to customers:

"We are sincerely sorry that, through a mistake in assembling the stock, an imperfect skimming device was sent out on a small lot of these separators. Your separator was one of this lot. To save you any possible trouble with this skimmer, we are sending you a duplicate to take the place of the imperfect one. Please use it whether you have had any difficulty or not, and we will appreciate it greatly if you will ship the imperfect one back to us at once."

In this way a possible complaint was guarded against, although the method proved a costly one for the house.

But any plan for eliminating complaints is costly. Checking and inspection systems are a big expense, but the outlay is of small consideration to a reputable house in comparison to good will and future business. To adjust an individual complaint may mean surrendering not only the profit on a sale but several times the amount of the order. The ambitious mail-order man does not balk at the cost, for satisfaction is the key-stone of his business; without it the whole structure tumbles upon him. Adjust the complaint in hand and see that it does not occur again if it can possibly be avoided—this is the only policy on which a mail-order business can be conducted successfully.

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